

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA

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Transportation Funding

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House Transportation Committee
House Policy Committee

Derry Township Municipal Building
1st Floor Meeting Room
600 Clearwater Road
Hershey, Pennsylvania

Thursday, May 27, 2010 - 10:05 a.m.

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BEFORE:

Honorable Joseph Markosek, Majority Chairman
Transportation Committee
Honorable Richard Geist, Minority Chairman
Transportation Committee
Honorable Mike Carroll
Honorable Paul Costa
Honorable Gary Haluska
Honorable Mark Longietti
Honorable Tim Solobay
Honorable John Evans
Honorable Dick Hess
Honorable Ron Marsico
Honorable Ron Miller
Honorable Stan Saylor, Majority Chairman
Policy Committee
Honorable Michael P. Sturla, Minority Chairman
Policy Committee
Honorable Seth M. Grove
Honorable Jerry Stern
Honorable RoseMary Swanger
Honorable Glen R. Grell
Honorable Mauree Gingrich
Honorable John D. Payne

ALSO PRESENT:

Stacia Ritter
Majority Executive Director
Transportation Committee

Amanda Wolfe
Majority Legislative Assistant
Transportation Committee

Anne Baloga
Majority Research Analyst
Transportation Committee

Eric Bugaile
Minority Executive Director
Transportation Committee

Adam Gingrich
Minority Research Analyst
Transportation Committee

Jim Dawes
Executive Director
Policy Committee

Angela Fitterer
Policy Advisor

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CHAIRMAN MARKOSEK: Good morning. As you might know, if you've been to any of our Transportation Committee meetings, we start every meeting with the Pledge of Allegiance, and today we have an honored guest to lead us in the Pledge of Allegiance, Secretary Al Biehler.

(Pledge of Allegiance recited.)

CHAIRMAN MARKOSEK: Okay. Thank you very much. This meeting is a joint meeting between the Transportation Committees and the Policy Committees of both caucuses of the State House of Representatives. And one of the reasons that we did it that way is because we wanted to make sure that more members, other than those that are just on the Transportation Committee, would be -- have access to and privy to information relative to our transportation situation here in Pennsylvania due to our crisis that we have and, of course, the special session that is now ongoing.

I would first like to thank the Derry Township folks for the use of this beautiful facility here. I would also -- before I introduce the chairs here for brief remarks, I would like to indicate that during the session today, with the exception of the Secretary and Lou Schultz from the Transportation

Advisory Committee, the timing machine will be operational. It will be five minutes for each speaker, and you will see a green light, yellow light, and a red light here. The red light will blink. We won't have any horns going off or anything like that, and we're letting the Secretary off, even though he's the one that uses it mostly at the State Transportation Commission hearings that we have, and I can get some glee out of, you know, reminding people that their time is up, but nevertheless, we are going to do that.

I would also like to mention that because of the geometry of the room here, we were unable to have all of the state legislatures who are in attendance today sit up here at the front. They are, however, here and, in fact, at that table back there. So, I apologize to them for that but would also indicate that when any legislature has a question, particularly those back there, that they come up here to this podium where Cindy is right now and use it to ask questions.

Also, at this point in time, I would like to introduce -- We have our Policy chairs here Representative Mike Sturla, who is the Democratic Policy Chair as well as Representative Stan Saylor,

who is the Republican Policy Chair. Would either of you gentlemen like to say anything?

(No audible response.)

CHAI^IAN MARKOSEK: And, of course, my partner, Chairman Rick Geist, and, Rick, would you like to make a comment?

CHAI^IAN GEIST: Thank you very much, Joe. I think it's absolutely wonderful to have this much transportation power in one room, and we hope to replicate this all across the State; the idea that we could have both Republican and Democratic chairmen and the Policy Committees working 100 percent together on the same issue is absolutely unprecedented in the House. I can't ever remember it at all in 32 years that I've been in there, and one of the House historians told me it's never happened before, so I think this is just an absolute wonderful day, and it's a wonderful start for us trying to solve the transportation problems of Pennsylvania.

CHAI^IAN MARKOSEK: Okay. Thank you, Rick. Without any further ado then, I would like to introduce our first speaker here. Our friend Secretary of Transportation Secretary Al Biehler. Al, the floor is yours.

SECRETARY BIEHLER: Mr. Chairs of the

various committees and members of the committees just thank you very much for having this hearing and the ones that will be coming. It's just so helpful. I will try to set -- give you a brief overview of our current situation as I see it, and it's obviously going to be just terrific to get opinions from many, many other testifiers. So I will try to be very brief and then be available for your question.

Just to give you a sense of an overview, at least for my term here working at PennDOT for the last seven and a half years, clearly we have been fighting the issue of deteriorated bridges as you can see in this slide. And these are pretty nasty looking slides, but, in fact, that represents the kind of conditions we have around the state. We also have a series of roads that need repair, and we have been chipping away at it, but this unfortunately is not uncommon.

We also have problems dealing with congestion. We also have a public transportation system that is critical to this state and one with needs that we have attempted to address, and I'll bring you back up to date.

We've also had fight running uphill. When I say we've been running up hill, this graph shows in

red and blue the consumer price index and how it's changed over time. There's also something called the construction cost index. Now that's just maintenance-related costs. There's also something called the bid price index, and that is the inflation of our capital work. When I say capital work, that's when we put out projects for bidding; resurfacing, it's bridge repairs, it's road rebuilding, that type of work and you can see something funny going on with that line, and that's the green line. When I say something funny, look at 2003 to 2008. Huge, huge astronomical increases in inflation, and that has just knocked us in the back in terms of buying power in our business.

Eighty percent increase over that time frame, very, very unusual. Thank goodness 2009 was better by a little bit, but you can see that steep increases really made a huge difference in our buying power.

PennDOT -- Well, one of the issues is in my part if you just look at only our maintenance cost now, you can see in blue on this graph, this is the actual amount of money that you folks approved in our budgets along the last few years, and you can see, however, what the inflation effect has been in terms of buying power, and that's the yellow line. So if

you look back at '02-03, we now have less buying power and, in fact, the loss of the effect of inflation is well over a billion and a half dollars. So it just paints a picture that is very difficult.

PennDOT for years and years in past administrations, ones that I at least know of, go back to the Thornburgh administration, Casey administration. Ridge administration, and now the current Rendell administration has worked hard to try to find cost savings, and, in fact, you go way back to 1973, at one point we had well over 20,000 employees; and if you click to get to where we are today, we're under 12,000. So something has happened. The administration has also worked hard to add additional cost savings over time.

Over time, in fact, PennDOT has shifted much more work at the same time it was reusing employee complement was also shifting more work on the private sector. Seventy-four percent of all the money that comes out of our Motor License Fund, in fact, is spent on the private sect. So it just tells you a little bit about how the department has utilized the private market place over time.

More recent times, times - things that I've been involved in, my folk, a few examples is we

have changed our personnel fleet. That's the fleet of vehicles that take our people to their work sites, but we have looked very carefully at that. We've knocked out 30 percent of the fleet. It went from 2100 down to 1400, as an example.

Lots of other little kinds of savings. I'll just give you a few examples. We've saved nearly \$9 million in our driver vehicle services. We've saved over \$20 million in the maintenance efficiencies, \$59 million that you folks helped to approve that we brought to your attention, in not having to replace automatically license plates. License plates will last a lot longer. That's saving \$59 million that we would otherwise have spent of our Motor License Fund that now is going to be able to have money we put on the roads.

We've had well over \$300 million in savings and simply a special initiative with Value Engineering, our projects. Another over a hundred million dollars in construction oversight. Under the heading that we have adopted cause for our transportation. We've looked at our projects and our design standards and find ways of shrinking the footprint of our projects. In the case of just a couple of projects, we spent -- we've saved nearly

\$300 million on two projects alone, one in Montgomery Bucks County, another one up in Monroe County area.

So, we've tried to do those things to help ourselves, and we have made some progress to deal with that, but also we have found we have had other major shifts in the way we've done business.

Chairmen Markosek and Geist are two gentlemen who sit on the State Transportation Commission, so they know that as we've updated our four year capital improvement program, we've got a major shift in what percentage of our money is going to fix our assets as opposed to expand their assets.

If you go back to the 2001 to 2004 period, we were spending 25 percent of our money on capacity. By absolute necessity, we have changed that. It's now five percent. That's a huge change. A four-year program has something in the neighborhood of ten to \$11 billion of investment on it, so you can see if we drop 20 percent, \$2 billion now more is going into asset management, fixing roads and bridges and not in capacity, not because we don't want to do capacity, it's because it's so critical.

You folks also know that there was a Funding Reform Commission that reported back in 2006 recommended an increase -- an annual increase in

transportation investment to the tune of \$1.7 billion. Act 44 was triggered by that discussion, and the initial - and it was a 50-year program, as you know, and the first few years shown on this graph set aside a certain amount of money for public transportation improvement investments and operating subsidies, as well as highway and bridge improvements. It started out at 750 million the first year. The next year - second year was to be 850 million, the year we're in now 900 million when you add those two pieces together, and then it was expected it would continue on and grow two and a half percent thereafter.

Another activity that happened last year that was a surprise, but a welcome one from our standpoint, was the American Recovery and Reinvestment Act. That provided a little over a billion dollars in money for our highway and bridge improvement system. I have to brag on our PennDOT folks who got all of that work into the contracting process in less than the required amount of time, and as a result, we've got a billion dollars in work under contract and some of it, in fact, portions of it are already completed; and that's been really helpful.

Also, the Act also provided a little over \$340 million on the transit side to help transit

systems. Well, let's see where we are then.

On the transit side, in fact. Act 44 did help. You can see some additional money if you look at the two end gold bars. You can also see what the ridership pattern has been in blue on this graph. You can see over on the right-hand scale, the transit systems in total in Pennsylvania now carry over 430 million riders a year. Yes, that's Pittsburgh and yes it's Philadelphia, but it's also the other 36 transit systems throughout Pennsylvania. Transit is, in fact, big business in Pennsylvania, and it's an important mode as well.

As I say, some of these activities has helped us. If you look way back in time into the '90s, there was a point where there was PennDOT out of it's 40,000 miles of road itself categorized 18,000 miles as ones in unacceptable poor condition. At the beginning of this -- At the end of the Ridge administration, the folks at PennDOT had driven that number from 18,000 down to 11,000 to their credit. The current administration has driven the number down from 11,000 to 7,000, but when I say to you 7,000 miles of road that we think are in poor condition, I don't think is acceptable. Clearly the progress has been made, but I don't believe we're there where we

need to be.

On the bridge side over the last few years, the problem has clearly gotten worse. We've got a bridge system in Pennsylvania. 25,000 state-owned bridges have an average age of 52 or three years. We -- because again of the significant attention that PennDOT has placed on an accelerated bridge program, also on a preventative maintenance program that was, in fact, started by a guy who is in the audience behind me, former Deputy Secretary of Highways, Gary Hoffman, we have driven now our numbers down, and you folks also have helped because you helped approve some bond financing in the last two years.

Now this allows us to start on a track of driving that number down, so we're down at 5,600, and that's better than where we were. Worst in the nation. Worst in the nation in terms of state-owned bridges. Again it's just what it is, and it just says, therefore, we need to really work hard to tackle. If you look over Pennsylvania, here's the 5,600 bridges scattered all throughout the state. It's a scary map. I mean, it just gives you a sense of the intensity and coverage and difficulty of this problem.

If you look at the 7,000 miles of poor

roads, again you'll see a map that unfortunately covers Pennsylvania. One other great piece of news as we all know is the rejection of an application to toll Interstate 80, and so the pattern of increased revenue that I showed earlier, in fact, is now in the process of going down to the steady levels also prescribed in Act 44, that if it wasn't approved, it would go down to a level of -- 900 isn't growing, but, in fact, down to 450 million, and that just simply makes our problem that much worse.

If you go back to the Funding Reform Commission recommended a billion seven, we actually got in Act 44 upwards of 900 million, now we're going to go back to 450. So we clearly have a problem that is serious. Over the next four years, the Act I-80 issue alone will mean \$500 million less roughly per year or roughly \$2 billion. So that's pretty serious stuff.

We had planned -- we had a list of projects that we were ready to work on over 440 highway and bridge projects alone that we were going to spend some of that money on. Again, you can see where they were scattered. Again, not surprising. They were scattered throughout the state. Our bridge program, our projection, if you look at the bottom line on this

graph, we were starting at the 6,000 number you saw. We're currently at 5,600. We expected to be on the downside of this curve. The loss of the I-80 revenue alone means we're going to pretty soon bottom up, and, in fact, start back up in the wrong direction.

So the issue that you were struggling with today clearly was recognized back in the Funding Reform Commission just four short years ago. I'm pleased that another person coming behind me to testify is Lou Schultz who is Chairman of the Transportation Advisory Committee, and he'll talk about an updated version of this. Just earlier this week the American Society of Civil Engineers issued their periodic report card, and it wasn't good news. And it wasn't surprising news because we know, we kept track of our own infrastructure.

So I would leave you with a message that we really are in crisis, and obviously that's why you folks have taken the initiative to have hearings. I can only say that the problem is one that is serious that we need to deal with, and congratulations to you folks for holding the hearing. So with that, let me stop, Mr. Chairman, and see if there's any questions for me on any matters.

CHAI^IAN MARKOSEK: Thank you very much,

Mr. Secretary. Mr. Secretary, before you take any questions, I want to mention the other members who are here. We've had some additional ones come in. We have Representative Seth Grove from York County. We have Representative Mike Carroll from Luzerne County, Representative Mark Longietti from Mercer County. We have Representative Jerry Stern from Blair County, Representative Ron Miller from York County, Representative Ron Marsico from Dauphin, Representative Gary Haluska from Cambria County, Representative Paul Costa from Allegheny, Representative John Evans from Erie County, Representative Tim Solobay from Washington County, Representative Dick Hess from Bedford, and Representative Rosemary Swanger from Lebanon County. Did I miss anybody? Okay.

All right. Any questions for --
Representative Mike Sturla.

REPRESENTATIVE STURLA: Thank you.
Secretary Biehler, I look at your presentation, and I am intrigued by some of the graphs and charts, but I'm also dismayed. The funding formula in the State of Pennsylvania at least most recently has more heavily favored lane miles than it has vehicle miles in terms of funding for roads, and when I look at the maps of

where we have bad roads, I think it's reflective of that funding formula where there's not many vehicles on the road but lots of lane miles, we've done a pretty good job. Where there's lots of vehicles on the road and not a whole lot of lane miles, that's where the heaviest concentration of red is on the map. I'm less concerned when your chart shows we went from 18,000 miles of bad roads to 11,000 down to 7,000. I'm more interested in knowing how many cars traveled on those 18,000 miles of roads because if I'm paving 18,000 miles of roads that get a car a day versus one mile of road that gets 18,000 cars a day, I've accomplished the same thing.

And so can you show me charts that show we've improved the way the majority of people in this state travel on roads versus we've paved a lot of back roads in Pennsylvania.

SECRETARY BIEHLER: Sure. The answer is sure. Let me provide whatever information you'd like, by the way, but let me mention a couple of things. One is that the formula that we use to distribute maintenance funds is one that was developed and approved by the legislature. I think the last time it was updated was the time when the gas tax was last increased in '97 or '96 in that time frame. And I'm

not blaming you for that.

REPRESENTATIVE STURLA: Oh, no, no, no.

SECRETARY BIEHLER: It's just sort of it is what it is. It's sort of the system that has been used. I can also tell you, though, that clearly in the last two years, if you look at what we try to do, Representative, is we try to look at our road -- our so-called classified poor roads in four categories. One is the interstate system. Next is the national highway system. Next is secondary roads that carry more than 2,000 vehicles a day, and finally secondary that carries less than 2,000. And I would be happy to share just the general graphs with you, and then we also have information on a county-by-county basis.

I think you will see that starting with the highest system, the interstate system, you will see a startling improvement in the number of poor roads. We have made huge progress there, but eventually the size of the pie runs out. We just are now threatened because of the lack of these resources, certainly I-80 will sort of put the nail in the coffin, but also the inflation effect without having additional resources will now send us -- I would expect that current 7,000 miles to get larger because of that problem.

So, I'd be happy to share that with you. I

think we've tried to respond to the highest volume roads, but I can tell you, as you will hear from some of the district executives who are charged in the PennDOT regions, you know, it's not a labor of love deciding which road they can't pave this year. They clearly have tried to emphasize the higher volume roads where they have the resources to do something.

REPRESENTATIVE STURLA: Okay. That's good. And I don't have an interstate highway in my district, so this is not trying to -- as far as I'm concerned, we shouldn't pave any road until we get our interstates fixed, and then we shouldn't pave any other road until we get our national security highways paved, and then we shouldn't pave any road until we get the ones that have more than 2,000 cars a day on them, and then finally we get to the back roads.

That fourth category you talk about with less than 2,000 cars a day, what percentage of our total inventory is that?

SECRETARY BIEHLER: If I remember right, it's probably 40 to 45 percent, huge.

REPRESENTATIVE STURLA: Okay. And in any other state they would be county or local municipal roads, correct?

SECRETARY BIEHLER: That's exactly right.

REPRESENTATIVE STURLA: Okay. So if we wanted to follow the model of every other state in the nation, we would give those roads back to local communities.

SECRETARY BIEHLER: Derry Township will be thrilled with your announcement.

REPRESENTATIVE STURLA: All I'm saying is in the district I represent there's more miles of private roads than there are miles of state roads.

SECRETARY BIEHLER: You're exactly right. I didn't mean to make light of it because it is the norm in most states to have only -- to only own the National Highway System and above. We would own a fraction of what we own. It is what it is. We've had this system in place for a long time.

I will tell you also, by the way, not to miss the opportunity to talk about the local roads and their condition. The local - municipality-owned roads and the county-owned roads are generally, generally in worse shape than the state, so we have - you know, it's not surprising. We have an overall problem in Pennsylvania on both the state and local system one that really requires attention.

REPRESENTATIVE STURLA: Yeah. And the reason I raise these issues is to point out what we're

faced with versus why people say, well, I drive to Maryland and the roads are good. Well, in Maryland the state roads that they drive on, because they don't get off on the back roads, are the only roads.

SECRETARY BIEHLER: That's correct.

REPRESENTATIVE STURLA: I mean we have the best back roads system in the nation because we're the only one that maintains the back roads in the nation. Thank you.

SECRETARY BIEHLER: You're right.

CHAIRMAN MARKOSEK: Thank you.

Representative Glen Grell from Cumberland County has joined us. Representative Stan Saylor from York County.

REPRESENTATIVE SAYLOR: Mr. Secretary, could you explain to us, we've talked a little bit about this before today, the whole Oregon experiment with funding of highways? Could you explain that?

SECRETARY BIEHLER: Yes. What I was talking with the representative about before the meeting was the experiment that happened in Oregon, specifically the City of Portland, they looked at a so-called mileage tax instead of a per gallon tax. And the incentive pilot group, if I remember my facts right, was a group of about 250 people who volunteered

to, in fact, be taxed based on mileage as opposed to per gallon, and they had an arrangement at certain gas stations that would allow them to enter their mileage and so on. There's been an awful lot of interest nationally about eventually considering a so-called vehicle miles traveled tax, VMT tax, instead of per gallon because of the change in the efficiencies of vehicles, you know, in terms of gas mileage.

Obviously, you know, generally the gas mileage has gone up, which means there's less revenue but, in fact, the total traffic mileage has increased. So it just simply exacerbates the problem. So the information that I have heard on the national level is somewhere between five and ten years away technology wise to be able to implement that kind of system if the State would be interested. There's going to be a lot of additional -- I know the Transportation Research Board, which I happen to be a member of the executive committee on, has been authorizing various pieces of research of the Federal Highway Administration has got some sponsored under the highway -- National Highway Cooperative Research Program, so there's various pieces of work underway. That seemed to be the prediction that folks are thinking about that tax ultimately to be perhaps a

better choice than per gallon tax.

CHAIRMAN MARKOSEK: Representative Mike Carroll.

REPRESENTATIVE CARROLL: Thank you, Mr. Chairman. Thank you, Mr. Secretary, for your testimony. I wanted to spend a minute, if I could, on time line. Considering the decision of the Federal Highway Administration with respect to I-80 and considering the slide presentation that you just gave us and considering that some folks in Harrisburg believe that we have time to wait in order to fill the funding call, can you share with me your perspective on what time frame we're operating under in the General Assembly with respect to trying to find a solution here? There are some that believe we can wait until next March or April. There are some that believe that we have to do it immediately. Can you share with me, from your perspective, where we are on the continuum?

SECRETARY BIEHLER: Without being facetious, you could wait forever if you want to; but the consequences are awful in my opinion. You just should not wait another minute, if at all possible. No, I don't think you can wait. The question would be, what are you waiting for? There is in terms of

what's in front of all of us, there's going to be a reauthorization of the Federal Transportation Program. The latest writing on the wall is that it won't happen next year. Oh, by the way, it's already a year out cycle. My guess is that what Congress will do is simply -- if they do anything, they'll simply extend the current federal program at its current level awaiting the discussion. So no new resources there. Inflation is still our enemy, and we are behind the eight ball so badly. Representative, in terms of our current status of simply the asset condition of 7,000 poor roads and -- miles of roads and 5,600 poor bridges that we can't wait.

What happens when you can't get out in front of that is a deterioration curve steepens and all of a sudden you won't have 5,600 bridges. You'll have 6,000 again and 6,400 and it will grow; and you'll then be faced with the horrible choices about should I go ahead and allow this to happen and go through the typical cycle of us either weight restricting or lane restricting bridges or finally closing bridges. It's not a happy day when you finally start cutting off neighborhoods to emergency services because that's how dire you are.

Some of our district executives who are

going to again be available for you to query can probably tell you more specific stories on their system, but there's another whole cycle. We should be refreshing our roads on a regular asset management cycle. We've got out of -- We've got 7,000 miles of roads that are in poor condition. We have 10,000 miles of road that are out of cycle, out of the normal cycle; and what that means is that the next time you make an improvement, it will be more expensive. So that's really the message that if you ever want to wait, you are going to be facing that much more of a difficult problem to come, and the cost of repairs will be more. I think it's a mistake to wait.

REPRESENTATIVE SAYLOR: Thank you very much.

SECRETARY BIEHLER: Thank you.

CHAIRMAN MARKOSEK: Mr. Secretary, thank you very much. Again, thank you for all your good work that you have done over the years, and I appreciate working with you; and thank you for coming here today. It was a great presentation.

SECRETARY BIEHLER: Thanks very much.

CHAIRMAN MARKOSEK: Thank you. Okay next we have Mr. Lou Schultz, who is the Chairman of the Transportation Advisory Commission. The Secretary

mentioned his report earlier, and Lou, you may begin when you're ready, and give us some hard data here for our transportation situation.

MR. SCHULTZ: Thank you, Mr. Chairman. Okay. Good morning, everybody. Let's start off by telling you a little bit about who we are at the Transportation Advisory Committee. For those of you who don't know what we are, we are an organization that was established Act 120 of 1970, the same act that established PennDOT and the State Transportation Committee. We're 30 individuals. The legislation established eight departments or agencies that were designated to be part of the committee. We have two members each from the House of Representatives and the Senate, and we have 18 citizen members, six of whom are appointed by the governor, six by the speaker, and six by the president pro tempore of the Senate.

Our charge is to consult and advise the Secretary of Transportation and the State Transportation Commission on issues related to transportation. Hence, when we started thinking about transportation issues, that issue of funding came to the floor with us. Our study was initially conceived back in the late summer, early fall of 2008, became immediately on the heels of the first action by the

Federal Highway Administration to not approve the tolling of Interstate 80 asking instead for some additional information. It also came right on the heels of the Federal Highway Trust Fund leaving an infusion of \$8 billion to remain solvent. We saw a real concern in terms of what both of these issues could mean in the long term for funding for transportation in Pennsylvania and decided to take on this study.

We began in early 2009, completed the study in April of this year where it was approved by the entire advisory committee for forwarding to the Transportation Commission, and in early May the Transportation Commission accepted and approved our study.

What our study is and what it is not. It is an update of the transportation and funding reform study that was released in late 2006. We do identify or quantify the gap between what is being expended today in terms of transportation investment and what is really needed to be able to address the back log that the Secretary got into a little bit and to continue to operate and maintain our transportation system in the Commonwealth.

We also took a very critical look at a

number of different funding mechanisms that might be used to go about addressing how you would increase revenue to be able to address some or all of these needs.

What this study does not do is it does not say we recommend X billion dollars in additional funding. It does not say how to do it. One of the key things that we did different with this study than we did with anything else is we included individuals who represented the House Transportation Committee and the Senate Transportation Committee as part of our task force, and they gave us some very good input on how to couch everything to be more useful to you as you dealt with this whole issue.

We'll talk a little bit about where we are with funding. Everybody knows about the issue with regard to the federal decision on I-80 and the median impact of the 472-million-dollar decrease in 2010-11 in the transportation budget if something is not done. We also acknowledge this is really a pretty lousy time to be talking about raising revenue in any sort with the economic conditions of the Commonwealth. We acknowledge that. At the same time, though, we have to recognize that transportation improvements are jobs. They put people to work. They improve people's

quality of life.

One of the numbers that I can recall from my days of working at PennDOT is every billion dollars of expenditure in transportation is 30,000 immediate jobs related to the transportation and construction industry.

Our other big concern is the long-term viability of the current funding sources. The Secretary talked about the impact of more fuel-efficient cars and even of less driving. We'll talk about that in a little bit. You talked a great deal about the inflation of costs and that bid price index that's just been so erratic over the last seven or eight years, all of these things factored together means that there's less money that's available to be investing on the transportation system in the Commonwealth.

As I said, the federal funding issues we've now had three transfers from the general fund over to the highway trust fund just to be able to pay the bills of projects that are underway. It's been 17 years since the federal gas tax was increased. And then as the Secretary said, SAFETEA-LU expired last September 30th. We've had several short-term extensions. It's now extended through the end of this

year. It's likely it will have to be extended into at least early 2011 just because we've got a new congress that will be seated at that point, and who knows when these guys will be able to take it all on.

Looking at the sources of funding for the Motor License Fund, this is the fund that, of course, this is the highway and bridge portion of it, you see this is from the most recently completed state fiscal year, and there's \$500 million in turnpike funding because of the disapproval of the I-80 tolling, we can reduce that by \$300 million in available funding for highways and bridges.

Take the other -- Well, the other thing I would point out in all of this as we move onto the next slide will be that revenues have been relatively flat in the last few years and the fact there's been a couple slight drops within the most recent couple federal fiscal years.

This thing is really a revelation because it was to me anyway when you take a look at gasoline consumption in the Commonwealth, our primary source of revenue being the gas tax and the overall fuel tax, the diesel and gas, there has been a decrease, not just in the last couple of years as the economy has sputtered; but it's down 1.3 percent per year since

2004. People are driving less. People are using more fuel-efficient vehicles, and that's going to continue to exacerbate the situation as the federal CAFE standards that are proposed out into the future are going to make more fuel-efficient vehicles means less revenue coming in from the gas tax.

Projecting this out and using a standard three percent a year inflation factor as the trend line, you can see that we are losing ground to inflation by using purely the gas tax as our primary source of funding.

Moving over to the transit side just for a brief moment. One of the very best things that happened with Act 44 was it streamlined how we fund and operate transit in the Commonwealth. Dropping down in that first column under the turnpike you see a fixed amount for operating \$250 million a year that was coming from Act 44 and then the balance for accommodation of asset improvement, capital improvements and new initiatives. This would basically be for buying new buses or at least turning over the fleet as it needs to be turned over; for buying new railcars, and then if you go on to new initiatives, things like building extensions to the system and the increasing and operating whatever.

That bottom number, balance for asset improvement whatever, that's gone. That \$150 million that was hoped to be used to be able to do those things is gone.

The second thing in the sales and use tax, this revenue is coming in lower than projected. It was assumed that revenues would grow about two and a half percent a year, and that's just not happening, so we've got a hole in this. The Secretary kind of alluded to this particular issue on a different slide that he had, but when you look at transit funding projections based on the Funding and Reform Commission, they had recommended much higher number than was ultimately approved in Act 44, and you can see without the tolling those numbers drop off precipitously and stay flat at \$250 million a year to help people that rely on public transportation to be able to get around.

We worked on defining needs. Worked very closely with PennDOT with Scott Christie's people in Highway Administration and Toby Fauver's folks in Public Transit, and this is a summary of the findings that we came up with working with those folks. We'll start on the pavement issue. The Secretary talked about their asset management projections and the need

to be able to get roads on a reliable cycle.

We'll just take the Interstate System, which has improved dramatically over the years. I worked at PennDOT for 34 years and then the numbers when I left were good. The numbers right now our Interstate System, on the whole, is rated as in excellent condition. There are pockets that need to be improved that are not excellent, but on the whole the IRI, the International Roughness Index, says that the condition, the smoothness of the pavement it's in an excellent condition. But the problem lies underneath that surface.

PennDOT has projected when we need to get things like the interstate on a 50-year cycle for total reconstruction with intermittent improvements in the intervening years every eight to ten years being able to say mill and resurface and put a new top down. You got to do periodic concrete patching and things of that sort, but every 50 years you got to go down and you got to be addressing the drainage, the base, the sub-base, and replacing all of that to regenerate the pavement.

There are additional cycles for the three lower levels that the Secretary referenced in his remarks, but bottom line in all that, immediate need

of \$1.76 billion between what we are spending versus what we need to spend to be able to address the backlog and move ahead towards continuing to operate and maintain that system.

Moving to bridges, the Secretary did a really good job of hitting all that for you. So all I will say is their goal is getting it down to the national average structurally-deficient bridges in ten years and then getting it down to five percent in 20 years still needs an additional \$370 million a year to be able to accomplish that objective, and it will definitely get us out of being the worst in the nation in terms of state bridge condition.

In the area of congestion, the approach is one of using a multitude of different ways to address congestion. People are really getting tired of sitting in traffic, and it's only going to get worse if we don't do something. A combination of doing some ITS, Intelligent Transportation System improvements to operate our interstates and our expressways especially in the urban areas; doing -- targeting signal improvements on systems and even isolated intersections and some construction improvements to address specific bottlenecks, you're looking at a minimum of \$70 million a year expenditure there.

Moving over to the capacity area, what we did at the Advisory Committee study is we took one of our previous studies that defined a core transportation system, and we looked at every one of the highway links on that system and said where do we have gaps and what is needed?

I 'll use as an example one that is about an hour north of here on Routes 11 and 15 in the Selinsgrove area where you go through a fairly congested corridor with a lot of development, and there is a missing 12-and-a-half-million-dollar section of highway that would loop you out and around there, cut across the river, and tie into a four-lane section north of Sunbury. Estimated cost anywhere from 350 to \$500 million depending on when you do it, if you do it soon. But the point would be there are projects that need to be done in this area, so what we have to be addressing maintaining and operating our existing system. We've got some critical links out there, and they're all over the state. I just picked on that one because it wasn't too far away, and I have to drive it personally periodically to see mom.

Moving on to the safety area, there is a national goal to cut the number of highway fatalities in half by 2030. PennDOT's actions to take that are

again a multi-phased approach that would involve a combination of targeting specific high-accident location and also doing some system-wide infrastructure improvements. And by that what I mean is things like - and this is a pretty poor example, but at least it resonates with folks. If what you see is a large number of run-off-the-road-hit-utility-pole accidents, it would be trying to address those on a system-wide basis, get the poles back to where they are in a safe position out of the clear recovery zone. That sort of thing. There's a multitude of examples of things like that, but that's just one of them.

Grand total in all of that \$2.6 billion a year if you do something about it now. You can see if you just ignore the issue, the problem goes up precipitously every ten years some numbers that are even more outrageous than that particular number. This graph just shows you again what that says. The revenue stays fairly flat over time, that gap between what is needed versus what is able to be afforded, just grows precipitously.

Moving on to the local system, this particular slide is very interesting. We have about 14,000 traffic signals in the Commonwealth. Seventy-seven percent of them involve at least one

state highway on one of the four lanes minimum, sometimes all four lanes. Every single signal in the State is owned, operated, and maintained by local government. What PennDOT proposes is to attack that issue over a ten-year period by getting into a ten-year cycle where every signal and every system of signals would be addressed in terms of either upgrading them completely or upgrading their operation to meet current needs, requirements, whatever, make them run more efficiently, make the systems run more efficiently so when you're going down the road like Carlisle Pike on the West Shore in Harrisburg, you don't stop at every signal along the way, but rather that you progress at a reasonable speed for a reasonable distance before you get stopped again.

That number comes out to \$182 million a year just to be able to start tackling that signal system. We put this in the local funding side of what is needed, even though the signals involve so many state highways. We also have 6400 local bridges and while the State number is pretty bad in terms of structural deficiency over 20 percent structurally deficient, those 6400 local bridges that are graded in feet in length, one-third of them are structurally deficient.

Unfortunately, we do not have really good data on local bridges that are between eight and 20 feet in length because the federal government does not require those to be recorded and inspected on a periodic basis, and the information is sporadic around the state, and we have just as unreliable information with regard to the condition of local highways because some municipalities has very good information and some do not.

We did some projections and came up with a number of \$250 million a year. That number may not be accurate. It may actually be low in terms of local needs. The very next study that we are going to undertake as the Transportation Advisory Committee is to get our arms around what are the local roadway and bridge needs in the Commonwealth? It would have been nice to do it before this one, but it just wouldn't work in terms of the overall need to get this study done and also get on with that next one. So we will be working very closely. We have a project scoping meeting on Tuesday of this week and expect to kick this thing off in early July, and I know there's a few folks from municipal organizations who are here in the audience. I will just give you a forewarning. Our study team, which has consultants - Gannett Fleming

is our consultants. We will be contacting the various local -- the townships, the boroughs, the cities, the organizations, the counties to be asking you to serve on our task force to help us to get our arms around that whole issue of local funding needs.

On the transit side, we'll just quickly you can see from where we are right now, it looks like there is sufficient funding for all of our transit operators to be able to continue to cover their operating costs. That's not quite so. There are a couple of isolated instances around the state--I can't tell you which ones they are specifically. I forget-- where there are a couple of operators who are going to have to do some things with regard to cutting service or raising fares, but on the whole right now, things are fine; but you can see what happens with the loss of that money from Act 44 that will not be coming because of the tolling.

The problem really starts growing, and there will be some areas that will have some service cutbacks in the future or they'll be raising fares or doing both. Then summarizing all of it, I talked a little bit about -- well, the operating number you can see we don't show a number in there because it's just undefinable at this point. Capital assistance I

talked about that being the buses and the railcars and the need to periodically turn over the inventory. And then on system expansion we would be talking about things there that cannot happen. Things like in this area the corridor 1 or Red Rose Transit that's been proposed is one that would just find itself stumbling around trying to find funding to be able to keep the momentum going on that particular project, somewhere in the order of \$500 million a year just to keep our transit operating at a reasonable and responsible level.

Rolling up all of these numbers, this is the number that everybody has heard about, it just blows you kind of away \$3.5 billion in a shortfall. The editorial in this morning's Patriot News kind of missed it a little bit. They put the number in, but they said you need to spend three and a half billion. Well, folks, if you really wanted to have a really good operation, it's \$3.5 billion more now.

We'll go on. We'll come back to that number in a few minutes. We looked at over 50 different funding mechanisms of how would you be -- how would you get at backfilling some or all of that particular backlog, and what we found there's about 20 of them that we thought made sense, and we have

included them for those of you who have access to our executive summary of the study, they're on page 19 of the study, and it's a really nice summary of what the recommendation -- what the type of funding is, how much it could generate for each as a for instance on the gas tax, \$62 million a year for each penny. It gives you that kind of detail, and then the pros and cons, the concerns with each one of those.

We looked -- the ones for highways only looked to be -- have some viability in the near term would include either raising the fuel tax or the oil company franchise tax, lifting the cap on those -- on the oil company franchise tax, and even indexing those to inflation.

I would note that in both cases there, you're talking about situations where when you tie it to gasoline consumption, and we talk about more fuel-efficient vehicles if people don't start driving a heck of a lot more, which would create more congestion, then the revenues are going to go down over time.

You can increase vehicle registration fees. You can increase them or extending them by not just making them a flat \$36 a year, but extending them to charge people who drive a Lexus more than somebody who

drives a Honda CRV like me.

We rank 38th in the nation in terms of vehicle registration fees on the average. State Police funding. Well, here's one that's going to be real popular take the \$500 million plus a year the State Police funding and increase the problem that exists in the general fund by moving it over there. There's the con. There's a pro and a con. It helps transportation, and it creates a problem somewhere else; but it's something to be talked about. And then you can see the other ones including the last one, and the Secretary did a really good job of summarizing that VMT issue that Oregon has done the pilot on. There are a lot of concerns from a lot of folks in terms of privacy issues and operational issues and things like that. As the Secretary said, that's a minimum of five, maybe ten years out if it even happens, and it may be something that's going to happen on a national level, but nevertheless if you're going to do it, you need to start looking at the issues now so that you can move forward if that is something that ought to be included in the package, and we think it should.

There are a number of funding options that could be used for highways or for public transit, and

we put them here. These things are not restricted by limitations that are in the constitution as the first group was. I'll only touch on the tolling one as a for instance, given that we got a negative reaction on the I-80 tolling, there are other roads that might be considered for tolling, and some folks have thrown out the I-95 corridor as a for instance. It's safe to talk about I-95 in an area where we're, what, a hundred miles away from Philadelphia. But, nevertheless, I-95 is a really humongous needs in terms of being - needing to be rebuilt. You can probably plow a number of year's worth of revenues from tolling back into the improvements that need to be done on that particular corridor.

The downside on all of this is you do need federal approval to toll any interstate at the moment. That is what the federal law is, and they only have a pilot program that allows for three states. Two of those slots have already been filled, and with Pennsylvania losing out on the I-80 tolling, the states that were lined up behind us as candidates have now moved ahead of us in pecking order. You know on a best case scenario, if they could not pass muster either, you're still a couple years away from the Federal Highway Administration, perhaps, being able to

act, so it's not an immediate-term solution, but it's something that probably ought to be at least kicked around a little bit.

On funding tools, we separated these from the funding generation mechanism because these are more like not necessarily revenue generators, but rather ways that you could advance projects sooner through things like public-private partnerships where you might be - you'll end up having to pay back, perhaps, the private partner over time or there's some other downside to that.

You'll see something else that has been through voting for the most part in the Commonwealth over the last 30 years, but we have done it selectively and strategically, and we think the strategic borrowing again makes a lot of sense provided there is a dedicated revenue source to be able to pay off the bonds that would be issued. We can't get ourselves back in the situation we found ourselves in the '70s when we issued a lot of bonds in the '60s to advance a lot of projects, but we didn't account for how we were going to pay off those bonds, and it started eating into the PennDOT budget to the point that they were pretty strapped till we got to the late '70s.

We have to go in there with our eyes wide open and just say, okay, we're going to take - we'll take a number \$300 million a year, and we're going to issue bonds to be able to move some projects forward. We're going to put that 300 million aside to be able to pay off those bonds over time. We have to be very strategic.

Our recommendations, we broke them down in terms of nearer term and longer term. The near term we have this immediate 472-million-dollar gap in the upcoming budget that as a minimum has to be backfilled. We also recognize that the Advisory Committee that this is probably once for quite a while opportunity to deal with transportation funding, and we think we need to go further, but this is, as a minimum, something to just be able to keep this system patched together. We would definitely recommend something higher. We leave it up to you gentlemen and ladies to figure out what that amount is.

The other thing is we need to begin a phased long-term strategy to develop a sustainable funding mechanism for transportation for highways and bridges of public transit. We think you need to start right now looking at the issue of the vehicle mileage tax and all of those related issues around it to see

if that is a viable option for the future in Pennsylvania either in supplementing or replacing the fuel tax.

Longer term, as I said, you need to have a sustainable funding mechanism. We have to be dealing with those issues of fuel efficiency and perhaps even less vehicle miles of travel. People are going to be using alternative modes or as a lot of us do, compacting their trips so that you don't keep going out back there. The funding mechanism has to be predictable and sustainable. And as we indicated some of the major elements they're looking at a more direct user pay system. We talked about VMT, the tolling options, recognizing that there are limitations in the federal process, perhaps we, as the Commonwealth, ought to be encouraging our congressional delegation to be supporting something that makes it more viable for each state to be able to decide where they ought to be doing tolling if they ought to be doing tolling so that we can better control the transportation funding in our Commonwealth.

We need to be looking at public-private partnerships, strategic borrowing, and to help out the locals both with their highway and bridge needs and also with their public transit needs, we need to be

looking at local option taxes.

To get at our study, we are on the PennDOT website. You just go to the PennDOT website. There is a little button over there on the right that says 2010 Transportation Advisory Committee Report. There are then two subcategories when you click on that that will either get you to the full study, which is 120-plus pages or the 20-page executive summary, which will give you a good summary of this.

In addition, PennDOT has posted information under a button that is called Transportation Funding Crisis. Folks are welcome to get at that too, and I think that has some of the stuff that the Secretary was showing on his maps.

With that, I would be glad to answer any questions. I do appreciate the opportunity to come here to testify in front of you folks. I just commend you for what you're working through and the difficulty of this issue.

CHAI^IAN MARKOSEK: Thank you, Lou. Congratulations to you and your staff committee for putting together, I think, a very well-done report. I see our host legislature has arrived, Representative John Payne, who would like to make a few statements. John, welcome.

REPRESENTATIVE PAYNE: Thank you, Mr. Chairman and Mr. Chairman and Mr. Chairman. I notice there's a lot of Chairmen from various committees here today, my fellow colleagues and friends, official welcome to the 106th District and Derry Township or the Township of Derry better known throughout the world as Hershey, home to three chocolate plants, and a world class renowned medical center, the University Medical Center Penn State. I do want to welcome everybody here. I want to thank you for coming.

There are transportation issues that are a very important issue in the Commonwealth, probably one of the most important issues. I want to thank the Secretary for his testimony, and I notice that Deputy Secretary Scott Christie is in the back row. I want to say hi to him. He was my District 8 engineer when I first came in the House and has done an outstanding job. I see Tucker is here now. I would be remised, Mr. Chairman, if I didn't put a plug in for my District 8 people telling you that I personally think they are the best people in the Commonwealth of Pennsylvania; that we have the most outstanding crew in District 8.

So again, welcome to Hershey and the 106th.

Thank you for allowing me an opportunity to welcome you.

CHAIRMAN MARKOSEK: Thank you, Representative. Any questions for Lou? Representative Mike Sturla.

REPRESENTATIVE STURLA: Thank you. Well, I guess since I asked some controversial questions last time, I will continue on with my line of questioning. You mentioned about taking State Police funding out of the Motor License Fund, and as the sponsor of a bill that removes State Police funding from the Motor License Fund and requires local municipalities to pay for their free police protection, I don't think it's actually a burden on the State budget at all. Twenty-one percent of the State's population relies on that State Police protection. Seventy-nine percent provide their own police protection through local tax dollars, and that's a subsidy of about \$150 for every man, woman, and child of that 21 percent that gets that free State Police protection, and I for the life of me can't figure out why we have that as a line item in the Motor License Fund.

Would you care to comment?

MR. SCHULTZ: Well, you know I don't have a vote on all of this, but my representative, I heard,

is in the back room. Representative Grell, and all I would say is. Representative, I hope you vote in favor of Representative Sturla's amendment because anything that would help transportation funding at the same time as not imposing similar burden on a general fund is good. Of course, we know it's going to come back to us in terms of local costs, but I happen to live in a township. Silver Spring Township, where we have our own police force, and we do not rely on the State Police, and I always tend to wonder why other folks can't band together to solve their problems.

REPRESENTATIVE STURLA: One other question about the vehicle mile tax. One of the things that's concerned me -- and I'm assuming that at some point in time if we get to that point, we will also take into -- what I don't want to do is disincentivize people to drive a fuel-efficient car, and so if I'm driving a vehicle that weighs a thousand pounds and gets 40 miles to the gallon, I don't know that I should be paying the same rate as a person that is driving the 4,000-pound vehicle that gets two miles to the gallon.

Are there any -- in any of the models that you've seen, are there variables that get placed in there regarding the weights and the vehicle miles in

terms of the fuel efficiency and things like that?

MR. SCHULTZ: I don't believe the Oregon Study did do that, but that's one that has been kicked around by a number of people as one of the issues that needs to be kicked around in a more detailed study to analyze this, and, perhaps, yeah, you can get either or both the size of the vehicle and what it's getting in fuel efficiency. You can also get at the where are you driving thing, and that's where you get into this big brother and privacy issue that all of this needs to be addressed, but if can you set up something that just says, okay, there's a rural area and your transponder knows when it's in a rural area and you charge that and it knows when you're going into a more congested area and it charges you a different fee there, and you're in this little Prius versus the Lincoln Navigator. There are things that can be done, and that's part of all that needs to be studied in more depth. It's not something that we got into or that I know anybody else has yet. I think that's one of the concerns at the national level why it isn't happening sooner. They recognize the same things.

REPRESENTATIVE STURLA: Okay. Thank you.

CHAIRMAN MARKOSEK: Okay. Representative Tim Solobay from Washington County.

REPRESENTATIVE SOLOBAY: Thank you, Mr. Chairman. Thank you, Mr. Schultz. In your comments, survey, and your report, you had made a statement that on rebuilds or new builds on interstate systems that the life span we should expect is about 50 years before any type of major maintenance goes into a highway. Did I hear that correctly?

MR. SCHULTZ: PennDOT is working on a new asset management approach to things, and they've been looking at what cycle do they need to get their pavements on for intermittent treatments and then a total reconstruction. Recognizing fiscal realities and also the magnitude system and all that stuff, they've come up with a notion that they need to try to hold together the interstate system for a 50-year period doing intermittent improvements within, and those intermittent improvements would be something much less than a total rebuild, but 50-year cycle for a total rebuild of the interstate is what they've been talking about. The irony in all of this is, there is an awful lot of the interstate system that is already over 50 years old. So that's the huge backlog.

REPRESENTATIVE SOLOBAY: Sure. With those comments, is there any type of accountability or how do we hold either contractors or PennDOT to make sure

that that is the case that occurs and that we don't end up with 10 and 15-year cycles of rebuild on sections that were just done?

MR. SCHULTZ: I'm sure the guys from PennDOT could answer this better than me, but one of the things that I know has been kicked around in the past has been warranties on the roads. You pay a premium for that, but you could charge.

REPRESENTATIVE SOLOBAY: Given that we have in place a lot of bridge and road needs, it's somewhat frustrating, and I know we've seen it out our way in the west, southwest where there have been rebuilds and then in a very short period of time they're going back in and rebuilding, and I mean going all the way down to the base and everything else. In some cases it may just be certain sections, but in other cases, it's significant sections of mileage, and when questions are asked I see a lot of heads drop sometimes whenever those are brought up, and the situation well, there was some experimental base issues, experimental this and that. You know, that's all well and good, but when we're having a rough time, as we are, it's very frustrating, and we've got to answer those questions. The constituents say, didn't they just redo that road ten years ago? Why is it being rebuilt and we have

other problems?

MR. SCHULTZ: I can't disagree with everything you're saying there. I don't know that I have a real good answer. I can relate when I was working in PennDOT some of the concerns on the I-80 corridor with some bad concrete had been put down, and we had to go back in and repair it. I'm sure that isn't isolated to the I-80 corridor, but it was other areas and it was just a bad mix, and I don't recall what happened to the contractors, if anything.

REPRESENTATIVE SOLOBAY: All right. Thank you.

MR. SCHULTZ: I'm sorry.

CHAIRMAN MARKOSEK: Okay. Thank you. We have another Representative Mauree Gingrich from Lebanon has just arrived. Welcome, Mauree.

Any other questions for Mr. Schultz?

CHAIRMAN MARKOSEK: Okay. Lou, thank you very much. We appreciate it, and a very good job.

What I would like to do now we have a panel, and I would like to introduce them, and while they are approaching and getting set up, we'll take a brief five-minute break. So let me introduce them first, and then we'll take a short break.

Panel two is PennDOT Engineering District

8. Tucker Ferguson, who is the District Executive; the Lancaster County Planning Commission, Mr. James Cowhey, who is the Executive Director; Kirk Stoner, Director of Planning for Cumberland County, and Rick Rovegno, who is Cumberland County Commissioner from their planning commission, Lebanon County Planning Department; Mr. Ed Brensinger, North Lebanon Township Supervisor; and Kristopher Troup, Executive Director; Tri-County Regional Planning Commission, Jim Szymborski, who is the executive Director, and the York County MPO, Mr. Rich Farr, who is with Rabbit Transit. So all those folks can approach, and we'll take a quick five-minute break. Thank you.

(A short recess occurred.)

CHAIRMAN MARKOSEK: I guess there will be some people floating in here as we get started, but I would like to get started here, and before we move forward, I want to correct -- we also have -- make a correction, we also have Adams County, Richard Smoyer from Adams County represented here. Sorry I didn't mention your name, but we'll give you special billing right now.

First up we're going to activate our nuclear timing machine here, and our first person has 15 minutes, and that's the District 8 Executive

District Executive Tucker Ferguson. So, Tucker, you may proceed.

MR. FERGUSON: Thank you, Mr. Chairman, and all the other chairmen. Thank you for the opportunity, and I thank Representative Payne for hosting us today and for the kind words he said about District 8. We appreciate all the relationships we have with our local legislatures and just the importance on their minds as far as transportation needs go. It's very evident in the communications we have with them. We appreciate the support and everything you do.

What we are going to be doing today is talking a little bit about some of the details of District 8 and the challenges and accomplishments we've been able to undertake in some detail, you know, of what the Secretary had presented earlier. So we'll run through my slides very quickly and have some discussion and questions at the end.

These slides here are four pictures of projects or areas that need improved at this point, and I'm sure that every district across the state has examples of deteriorated bridges, deteriorated roads that are not on program right now. And these four areas are pictures of some bridges that are not

programmed for construction in our program at all .

The first one actually is a roadway. It's a sinkhole in Lebanon County. It's 422, Route 422 in Londonderry Township, and it's a sinkhole problem that just rears its head every so often. There's geological activity in the area, and we do currently have a geologic report and engineering firm on board analyzing this for us, but whatever recommendations are coming out of that, we don't have that program on any construction program. We anticipate this long-term fix to be about a million dollars or more, but we're waiting on the results of that. This is one of those types of projects or one of those types of conditions that can be very hazardous, very dangerous, and it tremendously impacts the public in that area.

The second one in the top right-hand corner is a picture of a bridge and some rusty beams, and this roadway is Clearview Drive and State Route 3006 over the Codorus Creek in York County in Shrewsbury Township. And again, this is one of those projects and bridges that is a structurally-deficient bridge, not programmed on any program we have. It was actually one of the Act 44 projects that would have been done if I-80 would have been approved for tolling. We estimate this to be over a million-dollar

fix as well. Again, not programmed on any construction or any design phases to get this project finished.

The third one there in the lower right-hand corner is some timber pripping (phonetic). This is a bridge for Route 322 ramp near the Eisenhower Interchange, and this one would be part of a larger scale reconstruction project with I-83, I-283, and US Route 322. This would be part of that master plan. Again, this project with a lot of different phases, not programmed or doesn't have any funding in the future for that one as well.

And the last one there, the lower left-hand corner is a timber support for a beam under State Route 3004. It's Fishing Creek Road bridge in Drumore Township in Lancaster County, and we estimate this fix to be about a 1.7-million-dollar project, and again, not programmed on any projects or any program we have for future funding.

Just to talk a little bit about our piece of the world in District 8, and we cover the eight county area in south central Pennsylvania, that includes Adams, Cumberland, Dauphin, Franklin, Lancaster, Lebanon, Perry, and York Counties, but this is the outline of our district, and we have 687

structurally-deficient bridges in District 8. Our total bridge population is 3,423, so the 687 is about 20 percent of our number of bridges in District 8 are structurally deficient. About a third of those or over 1100 of our bridges are more than 70 years old, built before 1940, so by virtue of just the age of our infrastructure, we have a lot of structurally-deficient bridges, and we've been taken bites of it over the last couple of years with the accelerated bridge program. We've had some successes, but with the age and the stretch of the dollars we're falling further and further behind with our funding challenges.

This slide shows what are projections are of what our current funding levels and what we would have been able to achieve if I-80 would have been approved for tolling compared to the green line in the middle of about 40 percent reduction after the year 2014. Now our current funding levels if we build projects or we do have program on the bridge side, we'll get down to about 17.3 percent of our bridges being structurally deficient. It's higher than where we want to be with the 40 percent reduction, but we are making some improvements. And due to the accelerated bridge program, we have been able to

accomplish 95 structurally-deficient bridges coming off of our list over the last two years in 2008 and 2009.

We spent about \$310 million in District 8, and we have about 60 more bridges that are SD that are programmed to be built in 2010, but again that program may not be sustainable with the funding levels that we do have. If I-80 would have been approved to be tolled, we think we would have been down to about 15 and a half percent, again approaching the level of the ten percent statewide goal where we want to be in ten years, but that's not going to be attainable without the funding from the I-80 tolling program.

This is our eight county area, and the map showing our roads that are in poor condition. In District 8 we have 724 miles of road that are considered in poor condition, and our total population of mileage in District 8 is 5,240 miles of road. We have one of the biggest systems of all the districts in Pennsylvania, and 724 miles of poor condition roads is about 13 percent of our system.

Our IRI stats right now may not be as bleak as the ones that are in poor condition, but as we look at cycles and getting further and further behind the curve on our cycles, and then again the age of our

infrastructure we're going to see more roads turn from a good condition or fair condition into a poor condition.

The Secretary talked about cycles, and we have several maintenance cycles and maintenance treatments that we know that we need to do on our highways. For example, if we have a new bituminous pavement, we know that within three, four, or five years we need to do crack sealing on it. If we have a low-level highway in a rural area, we may need to do a seal coat treatment in seven or eight years. If we have a high-level bituminous pavement or concrete pavement, we may have to do an overlay in ten or 12 or 15 years depending on ADT and their condition.

We track every one of those pavements and every one of those activities, and in District 8 we're falling further and further behind in our cycles. We are doing some mainstream incident, and as an example, we may know that a road needs to be paved because it's 12, 13 years old, but the funding that we have allows us to do widening one year and then we come back the next year and do a leveling treatment to get it up to level and then the following year we may come and do the full overlay. So sometimes we're addressing our cycles. We fall behind because we're doing partial

treatments in each of the years, and we're just not able to take on the number of roads we need to because of the age and the cycles that they need.

So we have about 2,555 miles of roads in District 8 that are out of cycle, and that's almost 50 percent of our roads. We're continually trying to catch up on those rehabilitation and those lower-level treatments.

This is a map of District 8, and it shows the location of the 69 projects that we had on our docket that would have been done with the \$130 million of I-80 tolling money that we would have received over the next four years. And to translate that into real projects and real dollars, we have six planning partners in District 8, and each of those had a number of bridges and highways that would have been done with this \$130 million.

Overall in District 8, we had 35 bridges and 256 miles of roads that were programmed to do with those funds from I-80 tolling if we would have been able to receive those. And just a quick run down in each of the planning regions. For the Adams County RPO, they had 27 miles of roadway that would have been done. In Franklin County, we had 33 miles of roads and two bridges that would have been done. In the

HATS area, and HATS is the Harrisburg Area Transportation Study, which is comprised of a three-county area, Dauphin, Cumberland, and Perry County, they had 100 miles of resurfacing and seven bridges that would have been done. In the Lancaster MPO, we had 12 bridges and 35 miles of road that would have been done. In Lebanon County we had 26 miles to be done. In York County we had 35 miles and 14 bridges to be done. All of those projects and bridges and roadways will not be funded with the denial of the I-80 tolling application.

This shows our annual shortfall that we will be experiencing in District 8. Lou Schultz, as he summarized the TAC report and their approach to identify the shortfalls, looking at preventative maintenance from early treatment of preventative maintenance on up the line to total reconstruction. You have the 50 year and 40-year expectations of our pavements.

We estimate that in District 8 the revenues that we will be getting from our current funding streams versus the needs that we have in all of our roads and bridges will give us about a shortfall of \$300 million. So you can see how that will just compound the out-of-cycle roadways and the

deterioration of our bridges and will not be able to get those to the tune of \$300 million. Each year it just continues in that manner year after year after year.

This is a slide of our transit agency partners, and we have four committee transit agencies in District 8; Capital Area Transit here in the Harrisburg Area, Lebanon County Transit Authority, York Area Transit, and Red Rose Transit. It shows the ridership that each of those has on an annual basis and also their operating budgets that they have in 2008 and 2009, and I know we have several of the transit agencies here with us today, and I'm sure they can explain their need much more eloquently than I can, so I'm going to let it up to them to talk about the details of their challenges.

This slide shows a web site that we put together www.fundpatransportationnow.com. All of the information on the projects that we had on our I-80 tolling plan and our needs and some details of each of those projects all across the state can be found here at this website, and I encourage anyone who is interested to see, you know, what some of my counterparts are dealing with if they're not familiar with that. They can go over here and find out that

information as well.

So again, I thank you for the time to talk about our challenges here in District 8, and I can take any questions at this time.

CHAI^IAN MARKOSEK: Okay. Any questions for Mr. Ferguson?

(No response.)

CHAI^IAN MARKOSEK: Okay. Thank you very much. Next we have -- we'll just go down the list that we have in front of us here. Lancaster County Planning Commission, James Cowhey, who is the Executive Director. Mr. Cowhey, welcome.

MR. COWHEY: Thank you, Mr. Chairman.

CHAI^IAN MARKOSEK: And you're allotted ten minutes.

MR. COWHEY: Thank you. I ' l l t r y n o t t o take that full ten minutes.

CHAI^IAN MARKOSEK: Thank you.

MR. COWHEY: Let me thank you all for holding this hearing this morning. This is a very, very critical issue in the Commonwealth, and we all need to work together to try to find a solution or the solutions to this situation.

In Lancaster County, Lancaster County has a backlog of \$586 million in major transportation

projects that the county cannot advance due to insufficient funding. An additional \$20.5 million in annual road and -- road bridge maintenance and rehabilitation and transit costs must also be deferred.

As you heard earlier this morning, the new report by the State Transportation Advisory Commission recognizes that there is a 3.5-billion-dollar annual funding gap between available revenues and funding needed to maintain existing state and local highway, bridge and transit systems.

For Lancaster County, the loss of funding that was assumed as part of Act 44 means for our county we have an 8-million-dollar per -- we have \$8 million per year less to spend on vital transportation needs.

The transportation projects that cannot advance in Lancaster County unless transportation funding is made a priority are crucial to the County's economic development to creation of new jobs and to the future mobility of county residents. The unfunded projects are located on the county's busiest corridors where congestion will only get worse in the years ahead and the cost of providing the needed infrastructure will grow larger.

The backlog of county transportation projects include relocation of US Route 30, the relocation of PA 23, the bypass in Manheim Borough for Route 72, the Interchange at US 30 and Centerville Road, the Interchange at US 30 and Harrisburg Pike, the Harrisburg Pike roadway and multimodal improvements, and the through traffic rerouting for the town of Willow Street.

Ongoing project costs, these are annual costs include the intersection and transportation system management improvements in various corridors at \$5 million a year, local bridge replacement and rehabilitations at \$5 million a year, Capital Red Rose Corridor operational cost at \$10 million a year, and the Red Rose Transit Administration service expansion at \$500,000 per year.

Lancaster County also has a large number of bridges and additional funding is critical to preserving these bridges in a good state of repair. Approximately 25 percent of the state-owned bridges that Mr. Ferguson just mentioned are located in Lancaster County that are structurally deficient and 27 percent of the 258 locally-owned bridges in our county are structurally deficient.

Additionally, Red Rose Transit Authority

recently announced service cuts. Transit providers need a stable source of funding in order to keep up with rising costs. Transit cannot be allowed to wither away, particularly in a growing county like Lancaster County. If we want to have a truly functional 21st century transportation system in the Commonwealth, transit has to be included in that system.

In order to attract new business investment to Lancaster County and to ensure that our citizens have the quality of roads, transit, and other mobility alternatives they need, Lancaster County must provide a transportation system with adequate capacity and safety. If the Commonwealth does not make transportation funding a priority, over \$600 million in critical transportation projects are in jeopardy.

Lancaster County contributes over \$15 billion to the State's economy each year. Transportation investments play a central role in economic development and job creation. A benefit cost analysis that was conducted for the road and multimodal transportation improvement projects recommended by the Harrisburg Pike Transportation and Land Use Study, for example, found that the projects will generate over 1,700 jobs during construction and

play a central role in creating and sustaining 13,000 long-term jobs from planned mixed use, infill developments along the corridor.

Transportation improvements are necessary for an improved economy. An improving economy will demand more transportation improvements. The Lancaster County Transportation Coordination Committee respectfully requests that the transportation funding be recognized as the critical priority that it is and that the legislature works hard to solve this difficult funding crisis.

In our meeting on May 10th, where we at of our transportation technical committee really concluded the meeting by saying that doing nothing is not an option. Thank you.

CHAI^IAN MARKOSEK: Thank you.
Representative Geist.

CHAIRMAN GEIST: I just have one quick question, and I hope that when we talk transit here, Dennis has done such a good job of educating me, can we split out those monies based upon capital needs in operations?

MR. COWHEY: I can't do that here. I think Dave Kilmer is here. I think he probably can answer that question better than I can. Dave Kilmer is the

Executive Director of the Red Rose Transit Authority, and he will actually be testifying on behalf of his association.

CHAIRMAN GEIST: It would be good for us because we know that there's tremendous capital needs out there both rural and stock and garages and everything else that go with it, and we know the operations side of it. I know when we were on the Funding and Reform Commission it was a good thing to start learning about what the long-term capital needs were and to start thinking about how we get to that.

MR. COWHEY: Yeah, I agree. That's an important detail.

CHAIRMAN GEIST: The only problem you have down there politically is your district doesn't go far enough into Stanley's.

CHAIRMAN MARKOSEK: Okay. Thank you. Thank you very much, sir. Next is the Cumberland County Commissioner Rick Rovegno who is here as well as Kirk Stoner who is the Director of Planning for Cumberland County. Commissioner.

MR. ROVEGNO: Thank you, Mr. Chairman, and it's Rovegno. The G is silent, but most people get it wrong. Thank you, Mr. Chairman and thank you, Mr. Chairman. I heard the previous speakers talk

about economic development. Cumberland County is in, relatively speaking, incredibly good financial shape, both in our government and our local economy. Our unemployment rate is typically two to three percent below the state and federal averages. Our county was blessed enough to finish the last year with a 20-some-million-dollar fund balance.

I think the principle reason for that is we are at the confluence of several major transportation corridors, and that brings growth and development. So we're appreciative of that. Nevertheless, I'm going to give you a stark statistic. I'm in my 11th year right now. Fifty-five people in my county have been killed in collisions with freight-movement vehicles during my tenure, both trains and tractor-trailers.

And I want to give some props to the Pennsylvania Motor Truck Association here today working with the Interstate 81 Corridor Coalition. We have a plan to get a safety education trainer out into every school district in the I-81 corridor as part of their driver's education, but the simple fact of the matter is it isn't the fault of the tractor-trailer drivers. It's not the fault of the trains. It's just there's so much traffic coming through on an infrastructure that was never planned to carry that

amount of freight, tens of thousands of tractor-trailers a day.

Air quality that has deteriorated. And again, the folks there at the Pennsylvania Motor Truck Association are working with us, and we're very pleased with that. The infrastructure is crumbling. It can't carry the amount of freight that is moving through this area, and we need to have in addition to additional investment, in my opinion, and I am also on the coordinating committee of HATS, we need to have whenever you folks decide how we're going to pay for this to make sure that that money is as well spent as possible, I think both at the state level and at the federal level, we need more requirement that there be corridor-wide planning; linking MPOs and RPOs planning and TIPS together as they relate, you know, to what's flowing through those corridors.

I did pass some information about the Interstate 81 Corridor Coalition. It's a group of local jurisdictions and state DOTs from Knoxville, Tennessee; Watertown, New York. We're getting together. We're planning. So whatever you do, we hope that with the money that you provide we're making better decisions.

Lastly on the money, it's never easy, but

frankly, I'll tell you as County Commissioner if you need my help to sell an increase in gas tax or registration fees, you can count on it because we need to do it because in Cumberland County it's a matter of life and death. I'm going to turn it over to Kirk Stoner who is our planning director, and he'll speak a little bit more.

MR. STONER: Thank you. Commissioner, and thank you. Chairman.

The transportation funding crisis in Cumberland County is real and evident. I think the best proof I could probably provide you is our recent draft of our long-range transportation plan we're working on for MPO. That plan outlines \$4.5 billion in needs over the next 25 years. We look at the revenue side, we're looking at \$2 billion worth of revenue that is projected. So it's a 2.5-billion-dollar gap that we're looking at over the next 25 years. So I think details on the specific projects are really irrelevant at this point. We have a problem. We've done our homework. The projects are there. The funding is not.

I want to focus a lot of my comments today on local needs. In particular, local county bridges. Those needs are often overlooked. You know, as we're

looking at some of the bigger needs throughout the state, they're often overlooked, and they're equally as important.

In Cumberland County we own and maintain 28 bridges. It's the only infrastructure we own. It's not our business. It's really not the business of any county it's in. Those bridges are in deplorable shape, 36 percent structurally deficient. Sixty-eight percent are functionally obsolete. Half are eligible for replacement. They have a sufficiency rating of under 50, and also nine of those bridges were built in the 1800's. That's what we're looking at, really outdated infrastructures that's trying to serve as modern day demand.

We did undertake a capital improvements plan to look at our needs in the county, and that capital improvements plan recommended that we replace eight of our structurally-deficient bridges. The price tag on that is \$27 million, and the recommendation is to do that in the next ten years. Those bridges have a useful remaining life span of ten years. So we look at action, you know, when should action occur? In our opinion, it should happen very quickly.

We look at the resources that we have at

our disposal to address these needs. Right now our only funding source that we can address those needs with is the Liquid Fuels Tax Fund. Cumberland County gets about \$356,000 per year. So when you compare that to our need, you can see that it is totally insufficient.

And actually the liquid fuels distribution formula for county liquid funds is part of the problem as well. That funding distribution is based upon 1927 through 1929 gas consumption. Okay. So when you look at that, it's really arbitrary and it's inequitable. That funding formula should be updated. It should be directly linked to the number of bridges the county owns and the condition of those bridges.

We realize that with all the needs that are being expressed today, we are not going to have all of our needs for county bridges, but I think especially with the Liquid Fuels allocation formula that's very achievable, and I think it's long overdue. In the end, I think we'll have an equitable distribution of funds. We may not have all the funds we need, but having an equitable distribution is very important.

Until these problems are solved, our funding problems are solved, we're going to continue to see weight postings. We're going to see closures.

We're going to see detours for our county bridges.

Inaction at the regional, state, and local level it all results in the same things, mobility and economic problems. Cumberland County, unlike the rest of the state, many areas of the state, we're seeing exception growth. Over the next 25 years we're looking at increases in the number of households by 26 percent and also employment by 38 percent. So those increases drive transportation demand. We need to be ready for that demand if we're going to continue down the path of growth.

From an economic side of it, too, you know, I mentioned earlier there's a 2.5-billion-dollar gap that's out there right now for the HATS region. If we don't do that, you know, we stand to lose approximately 75,000 jobs, and right now in this economy, we simply can't afford to do that.

From the industry standpoint, which is also afforded to Cumberland County, the transportation and warehousing industry is extremely important to our local economy. Right now it's our third largest employer, and employs 12,000 individuals in Cumberland County and provides a very good wage. If we're going to retain these businesses in the future, I think we have to invest in the infrastructure that drew them

here in the first place.

So in closing, our needs are not surprising. They shouldn't be surprising. I don't think they're unique to our area. As you go around the state, I'm sure you're going to see more of the same. I think the efforts should be less about project identification--I think we're pretty clear on that--and more about action planning.

Our existing funding sources aren't adequate. Cutting budgets and then saving wages aren't adequate either. The bottom line, really the bottom line is that we're all going to have to pay. Each and every Pennsylvanian uses the transportation system either directly or indirectly for their livelihood. We're all going to have to pay at some point. That's not an easy message to carry. It's a tough message to carry back, but every Pennsylvanian shares the responsibility to equitably pay for our transportation system.

So as long as we're doing these outreach processes, I think these are great, but we also have to have a concurrent outreach process to the residents of Pennsylvania to let them know and understand the problem. So later on when we come back and ask them for different options, it ultimately will cost them.

I think we'll have an informal constituency that hopefully will look at investment in transportation as an investment in our collective future rather than just another government task.

CHAI^IAN MARKOSEK: Okay. Thank you. Any questions for the gentlemen from Cumberland County?

(No response.)

CHAI^IAN MARKOSEK: All right. Gentlemen, thank you very much. Appreciate it. Very good. Well said.

Next we have delegation from Lebanon County Ed Brensinger, North Lebanon Township Supervisor and Kris Troup, Executive Director of the Lebanon County Planning Department.

MR. TROUP: Thank you, Mr. Chairman. Standing room only. The Lebanon County Metropolitan Planning Organization would have received 13 to \$14 million with full Act 44 funding. That would have, of course, addressed roads and bridge problems that are currently on our TIP. Without Act 44 funding, that number drops to \$10 million.

Presently we have a tremendous backlog of state-owned bridges that need to be rehabilitated or replaced, and we have many miles of state roads that also need to be resurfaced. We estimate that if we

had full Act 44 funding and that was indexed for inflation, over the next ten years we could dramatically improve our state road and bridge network, and we could enhance transportation and safety and operational improvements as well.

For example, right now we have over 20 bridge rehabilitations and replacement projects listed on our TIP. Funding needs for these bridges alone will follow us for the next six to eight years and will not allow us to focus on our other bridge needs or bridge emergencies.

Our biggest question is what about all the structures that do not get routinely inspected on the state system; bridges under eight feet, box culverts, and other structures as well. None of us have a clear picture of those structures and what those needs will be over time. That makes us believe that the May 2010 transportation funding study very much underestimates our overall funding gap.

As Secretary Biehler mentioned, inflation is taking a bite out of all of us. PennDOT recently did an analysis for our MPO, and in 2003 we had the purchasing power of \$5.79 million. For the federal fiscal year 2011, our purchasing power is only \$5.36 million. Obviously, we're losing ground.

Because of the Act 44 funding problems we face, we will not be able to do the following projects: As mentioned by Mr. Ferguson earlier, the sinkhole repairs on Route 422, which is a million-dollar project; two resurfacing projects on PA Route 934, with a total combined cost of \$3.5 million; a resurfacing project on PA Route 419, \$2.5 million; and over \$2 million in other resurfacing projects on other state-owned roads in Lebanon County.

Additionally, the Ono bridge over the Swatara Creek will not be able to be replaced. That's a 1.2-million-dollar project. The replacing of the Lickdale Road bridge over Bethel Run, which is an 800,000-dollar project, and replacing of the South Spruce Street bridge in Annville township. It's a 1.8-million-dollar project, as well as a bridge along North Lincoln Avenue in the City of Lebanon for \$1.5 million.

Lebanon County MPO strongly believes that our priorities must be to maintain our existing system and then focus on operational improvements and safety improvements to the existing system. However, with diminished state funding, we will never be able to adequately address our congestion in key transportation corridors as well as operational and

safety improvements that are needed system wide.

I have with me today Mr. Ed Brensinger. Mr. Brensinger is a township supervisor. He's also a township road master and is a member of our MPO technical committee, and if you pardon the pun, is the gentleman who can really speak to where the rubber meets the road. Ed.

MR. BRENSINGER: Thank you, Kris, and thank you, gentlemen all up there in the front for listening to our bits here from everybody. Like Kris says, I am a person that is out where the rubber meets the road. Just yesterday I was out with my road crew trimming trees that were overhanging our rights of ways trying to make them safer.

You heard earlier that people don't like to wait in congested areas, whether it be a two-lane state road or a four-lane interstate. As soon as there's any kind of congestion the first thing they do is punch in their GPS how are we going to go around this, and guess where they go. They go onto township or local municipal roads. Well, what has that done in the past ten or 15 years? It's increased the travel on our roads, on local roads 36 percent. Those roads were built for horse and buggies back in the '40s and the '50s, and they're just not holding up to that

extra not just vehicle -- single-passenger vehicle traffic, but the truck traffic as well. We just can't keep up with it at the current funding rate that we are getting from our liquid fuels monies.

Just for an example, North Lebanon Township receives \$265,000 a year in liquid fuels allocation. We have 61 miles of road to maintain with that allocation. That includes anything from winter maintenance to traffic control devices, storm water structures, potholes, cracked sealing, and any overlay projects that we might decide to do. This summer we have one section of road that we're doing. It's less than one mile in length and because of the number of vehicles that travel that road, it needs a total repair. I mean, it needs to be reclaimed from the bottom up and repaved with thicker more moderate materials to make it hold up to the heavier traffic loads. That project alone is going to cost us \$375,000. If you compare that to the 265,000 that will get allocated for liquid fuels, you can see that we come up way short and have to come up with funding from other places, and that's not doing anything to the rest of the other 60 miles of roads that we maintain.

The further we go, the behinder (sic) we

get. Plain and simple. You guys are faced with multiple problems here, not only how we're going to take care of those problems, but how are we going to fund it? I'll echo the words of the Cumberland County Commissioner, if you need my backing for increased taxes in fuel, and I'm a user so I'm going to be impacted, but I heard of other countries that have seven-dollar-a-gallon gas, a lot, less vehicles on the road because people find alternative methods to travel.

I'm not saying we should go to seven bucks a gallon, but let's start in that direction.

CHAIRMAN MARKOSEK: Mr. Supervisor, when you're done, give us the name of your house member or state senator and we'll talk.

MR. BRENSINGER: Okay. I know you guys have big targets on your backs. We do too. When we talk about tax increases, you all the sudden end up with a big bull's-eye on your back and God bless you for that. We're in the same position, just on a smaller scale. You use billions. We use thousands. But I will support your tax increase on the fuel and on the driver licensing and vehicle registration.

Kris, I don't know if you have any more to speak here.

MR. TROUP: Yeah, if I can just in conclusion say that we need a stable, predictable, and inflation-proof state funding mechanism for our transportation improvements or all of us are going to suffer; and at this point all options should be on the table, and they should all be explored, and certainly we would invite you to read at your leisure our written testimony which provides many, many more details. But thank you for this opportunity, gentlemen. Thank you.

CHAI^IAN MARKOSEK: Okay. Thank you. I'd like to - people ask me what I do for a living. I say I'm a professional pinata. Any questions? Representative Sturla.

REPRESENTATIVE STURLA: If I could and you, Mr. Troup, you provided a similar scenario of what Mr. Ferguson said about here's the projects that aren't going to get funded as a result of no tolling of I-80. Sir, coincidentally, the amount of money we would have gotten from I-80 almost mirrors the amount of money that we spend on the State Police out of the Motor License Fund each year. Will you go on record as saying you support moving that out of the Motor License Fund? It's equivalent to about a nine cents gas tax.

MR. TROUP: We're absolutely supportive of that.

REPRESENTATIVE STURLA: Okay. Thank you. I won't ask you because I don't think you're allowed to answer.

MR. BRENSINGER: Thank you.

CHAIRMAN MARKOSEK: Any other questions for the Lebanon County gentlemen?

(No response.)

CHAI^IAN MARKOSEK: Okay. Thank you.

Next we have the Tri-County Regional Planning Commission. Jim Szymborski is here, and Representative Mark Keller warned me about you, Jim. No, he said very nice things about you and asked me to take care of you here today. So welcome and glad you're here.

MR. SZYMBORSKI: Thank you. Commissioner told me to -- or the Representative -- I used to work with the Lancaster County Commissioner also told me to avoid the fluff and get straight to the point, so that's what I 'll do.

I'm Jim Szymborski the Executive Director of the Tri-County Regional Planning Commission, and our staff provides central professional planning support to the Tri-County Regional Planning

Commission. Our area is Cumberland, Dauphin, and Perry Counties, as well as the Dauphin County Planning Commission, the Perry County Planning Commission, and the Harrisburg MPO, which is otherwise known as HATS, Harrisburg Area Transportation Study, and that area - planning area also includes Cumberland, Dauphin, and Perry Counties.

I also serve as the Chairman of the Tech Committee, and your colleague. Representative Keller, does a very capable job serving as our Coordinating Committee Chairman.

I'm going to try and stay as closely as I can to the format that you requested, five questions, in particular. I'm not going to cover much in detail, but I'm going to give you the highlights of the status of our experience. I would also like to thank you on behalf of myself and the other planning directors for the opportunity to have the planning community, the professional planning community testify before you. I've been with the Regional Commission for 37 years. This is the first opportunity I've had to speak directly to a board of representatives. We're normally afforded the opportunity to testify before the State Transportation Commission, and this means an awful lot to us.

Beyond any doubt our public transportation, highway and bridge systems are in financial crisis. The inability to adequately maintain and improve our deteriorating transportation infrastructure is resulting in undesirable economic, environmental, and quality of life conditions for residents and businesses within and beyond our region.

Based on our travel demand simulation model applications, traffic volumes on our limited-access roads within our region are expected to increase between 30 and 40 percent between the year -- by the year 2030. This situation is created by deficient road capacities and the inability to adequately move traffic in a congestion-free manner. As a result, many of our major corridors upgrade a level of service as failure from grid lock during the peak a.m. and p.m. hours. Left unimproved, congestion on these corridors will continue to increase, extend the duration of peak a.m. and p.m. traffic periods, and create greater safety and air-quality impacts.

Another lack of funding impact is that increased emphasis on simply maintaining the existing system is preventing us -- and when I say us, I'm talking about a collaborative us, the County Planning Directors, the MPO's, and our planning partners for

the Department of Transportation.

Another lack of funding impact is that increased emphasis on simply maintaining the existing systems preventing us from advancing projects with strong transit, intelligent transportation system, rail, pedestrian, bicycle, and other multimodal components. Thus the emphasis is most significantly on roads and bridges at the expense of other modes and modal connections.

As an example, over the next four years, our region will be programming \$335 million on highway and bridges, and only \$52 million on transit. That's a four and a half to one investment ratio. Additional revenue is dedicated to regional and local projects would enable much-needed improvements to be completed sooner, providing earlier overall economic and environmental benefits of safer and more reliable infrastructure, improved traffic flow, cleaner air, reduced travel time, reduced congestion, energy cost savings, stimulated economic development, and expanded employment opportunities. As funding will always remain a critical element in meeting transportation needs, a longer-term solution will require a continued pursuit of transportation investment strategies to promote use of energy-efficient, higher-occupancy

vehicles and mass transportation together with smart growth management strategies, and sustainable environmental practices.

Inaction is not an acceptable choice. Transportation projects that are necessary to maintaining our economic vitality and environmental quality by efficiently moving people and goods into and through this nationally-strategic transportation corridor are being delayed for another program due to funding shortfalls.

With the considerable portion of limited federal and state transportation dollars being committed to the backlog of statewide significant road and bridge projects, many needed local projects are going unattended. For the level of funding, selection and prioritization of the transportation improvements we are advocating, our drive through a multi-level comprehensive planning process it ultimately feeds -- feeds into the regional transportation plan.

Our current regional transportation plan is being updated, and as the time arrives, it will be year 2030.

We are convinced the transportation investments, based on such a comprehensive planning process, are more likely to achieve their intended

goal to create a safe, efficient, environmentally sensitive, and congestion-free transportation system, a system that is designed and constructed to adequately meet the surface demands placed on it by the traveling public.

Without going into details, I can report to you that the total estimated costs necessary to accomplish the infrastructure needs identified in our regional transportation plan through the year 2035 amount to about \$4.6 billion. Total projected revenues, this is based on the financial guidance that we receive, amount to about -- expected to be received over that same time period, amount to about \$2.4 billion. The estimated revenue shortfall for our metropolitan area to the year 2030 is about \$2.2 billion.

Some examples of additional transportation improvements that could be accomplished with enhanced funding include two major corridors in Dauphin County Walnut Street/Progress Avenue intersection design and reconstruction and the Route 322 and Chambers Hill Road redesign and reconstruction. These are two major corridors that provide commuter access to the Harrisburg Metropolitan employment area.

In Perry County also the Perry County

Planning Commission identified two major commuter routes that are high on their priority list that need attention, Route 34 corridor improvements, major corridor. This is a major commuter corridor Routes 11 and 15 corridor improvements -- major commuter corridor.

In both counties there are many, many local bridges, most of which or many of which are under county bridge system that need attention that are not receiving attention. We have a number of transit projects that need addressed.

Capital Area Transit needs a new maintenance administration facility. This is estimated to cost about \$25 million. Their bus fleet replacements are estimated to cost about \$6.4 million. The Capitol Red Rose Regional Rail service between Lancaster and Harrisburg has a current federal appropriation earmark of about \$10.9 million. They cannot touch that \$10.9 million until they have operating subsidies. They're attempting to acquire those operating subsidies. Corridor two bus service, this will provide service between Lebanon, Hershey, and Harrisburg. Lemoyne Connector Crossing, this is on the Norfolk Southern Rail Freight route. This is a rail freight and potential public transit interaction

here. As the corridor increases and that rail freight activity, Norfolk Southern feels it is necessary for them to have more direct expedient access to the yard. It will cross over an area that is a corridor that will provide future transit access as well as emergency response access across the Susquehanna River into a very strategic location in Cumberland County.

We have on a daily basis approximately 33,000 Cumberland County residents working in Dauphin County and about 16,000 Dauphin County Residents working in Cumberland County. There is a tremendous commuter capture option there.

We are also looking at expanded bus service to residential areas and employment centers that Capital Area Transit would like to accomplish. Recently significant projects. Here's where the dollars really get high. The I-83 master plan which was completed a number of years ago by PennDOT, this is a major corridor and interchange investment project with about 12.4 miles in length between the New Cumberland Turnpike Interchange and the I-81 connect. Initial cost estimates, \$1.3 billion. The Interstate 81 corridor improvements, and this involves the addition of a single lane in each direction coming through our region, it will begin at the Cumberland/

Franklin County line. It will travel through Cumberland County and through Dauphin County and a few miles into Lebanon County to the I-78 connect. The additional estimated cost about \$1.3 million.

The Norfolk Southern Crescent Corridor Reef project. We look forward to this because it will take truck traffic off our interstates, and there's some benefits to be received from that; in particular, the interaction between trucks and vehicles, and the consequences of that as well as air quality benefits and congestion reduction benefits.

It will, however, concentrate the receipt of rail freight cargo at concentrated amounts in particular locations. In Harrisburg we have the intermodal -- Harrisburg intermodal yard. We expect this result of the crescent corridor being implemented an increase of about 100,000 truck movements a year, This facility is located behind Harrisburg Area Community College. Access to it is a very narrow two-lane industrial road. We are going to need transportation investments to provide access to that facility.

In conclusion, without adequate funding, we'll have no alternative but to continue to address transportation infrastructure issues in a manner

focused predominantly on system maintenance with precious few dollars available to invest in critical system enhancements. We will, therefore, not be able to achieve our goal of establishing a sustainable, safe, and effectively functioning transportation system for our region and the Commonwealth. The construction congestion cycle will continue unbroken. Infrastructure capacities will continue to decline.

We have experienced this state of affairs in the past. Without adequate funding, we are preordained to revisit this development in the future without any resolutions. Thank you.

CHAIRMAN MARKOSEK: Thank you very much. Any questions? Gentlemen.

(No response.)

CHAIRMAN MARKOSEK: Okay. Thank you. Speaking of mass transit, we have Jamie (sic) Farr representing the York.

MR. FARR: A little more money than I get paid right now. Thank you. Today I'm here though wearing my --

CHAIRMAN MARKOSEK: Oh, excuse me.

MR. FARR: - that's okay. Wouldn't that be great. I need that uncle who has a deep pocket. There's none in my family.

I'm here wearing my Chairman of the MPO hat. Felicia Dell, who is the Director of the Planning Commission, is unable to be here today. She sends her regrets; however, she does send her comments in, and so today you get to hear me communicate them to you.

The invitation letter for this hearing requested the presenters to respond to five specific bullet points related to highway, bridge, and public transit system funding within your county or MPO. In York County, these bullet points were addressed in the approach we took to develop the Long Range Transportation Plan for our county and MPO. Since the plan was so recently adopted in June of 2009, I want to provide you with an overview of the plan and the approach we took to develop it. Through this I am sure that I will address your key points.

The plan began, as all good planning documents do, by completing an extensive inventory of our transportation system. Since transportation is intermodal and since what affects one mode affects other modes, the plan inventoried the whole spectrum of transportation systems from York County including aviation and rail.

Upon completion of the inventory phase, we

undertook extensive public involvement to gain input on the county's transportation needs for the next 27 years. I know, yes, 27 years, why? The connection between the federal planning and the PennDOT TIP update. So we selected 27 years. The public involvement took the form of on-line surveys, paper surveys, as well as focus groups.

We also solicited participation from key stakeholders to work on one of the ten different subcommittees created to identify future needs and estimate their costs. The subcommittees were created around the different modes and around key funding categories or issues that drive funding such as safety, security, capacity, maintenance, and so on.

After the work of the subcommittees was complete, the results were scrubbed to eliminate overlap among the results from different committees. For example, air quality needs overlapped with the needs of the congestion committee, security needs were addressed in the needs of several other subcommittees. Aviation needs were projected and estimated but ultimately not included in the funding analysis since the MPO does not administer any of the funds to address those needs.

The price tag was developed for each of the

committees projected needs. I hope you're ready for this, and I'm glad you're sitting down. The price tag to address the transportation needs for the York Area MPO over the next 27 years is 26 billion. That is billion with a B. Now let me tell you the sad part. The revenue projected to be received in our MPO based on the existing funding sources that included Act 44 at the full funding level and a four percent increase each year is only \$3.9 billion. This clearly creates a funding gap between needs and projected revenue of \$22.1 billion.

To help reduce the funding gap, other solutions were proposed such as evaluating the possibility of closing a bridge as opposed to replacing it, including transit as an improvement alternative for congested corridors and reducing single-occupancy vehicles through the regional ride sharing initiative. Commuter Services of Pennsylvania. These measures could only reduce the gap by several million dollars. The true funding gap remained in the billions.

In order to make the best use of our limited funds we receive, we created a selection criteria to guide the MPO in funding the most critical and the most needed and the most deliverable projects.

We also developed spending targets for each of those funding categories to use as a target for our TIPs over the life of the Long Range Plan. Since we are only in the first year of implementation, it's a little hard to tell how successful it will be, but check back with us in a few years and hopefully we made progress.

I offer you that overview to let you know that in answer to your first bullet point. Do you believe our transportation system is in financial crisis? Absolutely. We didn't have to wait for the US DOT to turn down the application of I-80 because we already knew that we had a 22-billion-dollar shortfall in York County.

Unfortunately, to some people it doesn't feel like a crisis because we have been prudent with our TIP dollars. We've lived within our budgets, and we didn't plan on money for projects that wasn't already in hand. We prioritized projects for funding based on the most critical needs and/or the projects that were easiest to deliver. So, people still see transportation being funded, being delivered, being constructed. There appears to be a sense that things aren't as bad as what people are saying; there is no sense of urgency to solve the funding crisis.

However, there has been a pretty significant shift over the years in the type of projects that are getting done. While we believe in the philosophy of maintenance first, due to anorexic funding levels, it has become a philosophy of maintenance only. In a growing region like South Central Pennsylvania, there is no room in our budget for capacity.

As you know, time is money in many arenas, and it is no different in the transportation arena. I know from experience that if the funding crisis is not solved this year, it will be more expensive next year and the year after. Let me remind you that the price tag over the long run is 26 billion in York County alone. Keep in mind the 26 billion is an estimated cost. That's not going to send the York Area MPO on a transportation spending spree. Those funds are needed to do necessary projects such as maintain existing transit service, replace 197 bridges that will turn 100 years old or older during the life of our plan, retime 179 traffic signals to better manage congestion, repair the pavement on 1300 miles of roadway, purchase hybrid buses for our core routes, expand existing services of the commuter services of Pennsylvania to better serve our regions, commuters that cross county lines on a daily basis.

So, no, I do not believe that inaction is acceptable. You will most likely hear that same response all day today. But I am not just offering it in my professional capacity, I am also relaying the message we heard from our residents through the public surveys we completed. We specifically asked if it was acceptable to let our roads decline; not raise revenue to fix the roads. Nine percent said that was a good idea. Ninety-one percent said doing nothing is unacceptable.

So I urge you to take up this difficult issue. There is no advantage in waiting for a new governor or new administration or a new federal legislation. There is no excuse that will make sense when systems fail due to the lack of funds. Crisis will still be there, it will just be more expensive in the future.

Thank you.

CHAI^IAN MARKOSEK: Thank you, Rich.
Representative Stan Saylor.

REPRESENTATIVE SAYLOR: You're probably not as pretty as Felicia.

MR. FARR: That's correct. Be kind. I know where you live.

REPRESENTATIVE SAYLOR: One of the things I

would like you to, as the new chairman of the MPO, point out or answer for members here because you talk about the shortfall in York County. As a former Chairman of the MPO in York, it is -- could you tell members -- we know Interstate 83 north and southbound along the Maryland border as well as the Harrisburg border Cumberland and Dauphin Counties whether that 26 billion includes any expansion, widening of Interstate 83?

MR. FARR: It does not. And, you know, a newcomer to York County in the last seven years, what has happened in the last seven years on 83 is incredibly insane. I mean, it is out of control.

REPRESENTATIVE SAYLOR: Mr. Chairman, I just want to take a second to -- Interstate 83 has been designated by the federal government as a defense corridor, and we're in the process of replacing and raising a number of bridges in the corridor, but because of the fact that it's only a four-lane highway, we are seeing the road almost on a weekly basis closed due to accidents on Interstate 83, so I really want to stress that even for national defense purposes in York County and I know Lancaster County has a number of highways as well in a similar situation because of capacity, there is no such thing

as passing lanes on Interstate 83 anymore. There's two solid lanes from Maryland to Harrisburg, and I think that really shows a great need in a lot of our counties that are growing to increase capacity as well as maintenance. Thank you.

MR. FARR: If I may comment on that, Representative Saylor, just yesterday Exit 28 -- an accident 40 minutes for me to get from Exit 28 to Exit 24 on the back road.

CHAI^IAN MARKOSEK: Okay. Thank you. Any other questions for York County?

(No response.)

CHAI^IAN MARKOSEK: All right. Thank you. We have the Adams County Office of Planning Development represented by Richard Smoyer as the Director of Planning and Development. Mr. Smoyer, thank you for waiting, and you're on the clock. Thanks.

MR. SMOYER: Good morning, everyone. Thank you so very much for this opportunity for all of us to express the concerns that many of us discuss frequently as public servants who work in the rapidly growing south central Pennsylvania area.

I think we have special challenges here that are quite different from even the Philadelphia

area which is kind of built out and there in Pittsburgh and our more rural neighbors to the north.

Adams County is a small but very historically fast-growing county in one of the high growth regions of Pennsylvania. Our population increased from 78,000 to 105,000 people since 1990. We just moved from a sixth class county to a fifth class county in Adams County. Our rural landscapes in Adams County are remarkably well preserved despite the growth. Our agriculture in this region remains viable. We have a whole set of wonderful historic boroughs on two main roads for the most part. In most cases, of course, it's Gettysburg, but there are many other ones.

Those historic boroughs, we're trying very hard to make them attractive for cultural heritage, tourism, and for residential and business purposes, and it's becoming increasingly more difficult as regional traffic flow, particularly truck traffic flows through both towns resulting in noise, air pollution, pedestrian conflicts and so forth.

The pace of growth that we have been experiencing must be tempered by the recession. We noticed the downturn about -- well, three years ago, and I'm predicting it will last another two or three

years. However, during this time period, there's several very significant demographic changes that are occurring that will lead to new demand in the near-term future, and I'm talking about the retirement or semi-retirement of the massive baby boom generation. Many of us are going to want to continue to work in some fashion.

Even more significantly the emergence of the even larger generation Y, the millenniums, there are more of them than there are boomers in the United States, and they are now becoming young adults, entering the job market or maybe not. A lot of stress for the young people. But they're now growing up, and we have to look at them as new citizens in the region.

Just prior to the downturn, we had approximately 18,000 new houses proposed for the Route 15 corridor, and some of that I predict we will see come back.

There are federal policy decisions that have led to base realignment position and other federal agency related to development in Northern Maryland. We're talking about the creation of between forty and 60,000 new high-paid, high-technology jobs extending from Aberdeen Proving Ground of I-95 to probably the Fort Ritchie side on top of South

Mountain just south of Adams and Franklin Counties. I predict about one-third of those jobs will be within commuter distance of Adams County, with the drivers being the biotechnology sector in Frederick, Maryland, and the activities that are going on there and to a lesser extent the high technology communications activities at the Fort Meade NSA area near BWI airport.

So while we are facing demographic and growth challenges, we are also looking at an aging infrastructure and these reduced-funding scenarios that everyone is talking about.

Just for a moment I would like to talk about our bridges. We currently have 383 state bridges. Eighty-seven of them have been designated as structurally deficient. On our 2009 through 12 TIP and graph 11-14 TIP, we are going to be making some improvements in those statistics. We're going to be rehabilitation with PennDOT's direction and help a significant number.

When completed, we will still have 50 structurally-deficient bridges. But that doesn't tell the whole story even on bridges because there's another list that's emerging where they're looking at other bridges that are at risk of being structurally

deficient. There's one or more system components that we know are aging that are going to wind up on that list within probably less than a decade.

So when you add all of those together, we are looking just at bridges alone and a huge challenge. The cost just to upgrade those bridges in Adams County is \$167 million spread out over a 12-year period. That amounts to \$14 million a year. We only get \$15 million a year from our allocation as a rural planning organization.

So we would need to spread out over 90 percent of the entire 12-year TIP allocation just on bridges. The bridges are not our only need, because we have many, many transit. We accommodate two million visitors a year, despite the fact that there are no transit linkages available to either international or national visitors who want to come to Gettysburg. And we're looking at the upcoming 150th anniversary of the battle of Gettysburg in 2015, and they're predicting four million visitors coming into Adams County. So, we're not only accommodating our own citizens but also a lot of our visitors.

We've also become a county that exports labor. We have about 20,000 residents a day who drive out of Adams County for employment. About half of

those drive to either York County in the Hanover area or down into Maryland for jobs, so, the transportation transit linkages and roads are very, very important.

As planners, this presents us with a dilemma. On one hand a safe, well-maintained transportation system is vital to public safety and quality of life. We know that. Yet, we're very concerned about the sustainability and the economic viability and vitality of our communities.

Again, we're home to these wonderful historic resources, but we're being clobbered in many cases with excessive traffic, and we don't see any way around it particularly with the current budget funds.

We're also concerned about our commuters. For example, we have a lot in Adams County who commute to Harrisburg for work. We are very concerned. Our commissioners are concerned about the safety concerns on US Route 15, particularly between the Borough of York Springs in Adams County and Dillsburg in York County. Unacceptable numbers of traffic accidents in that area, and we very much support over time upgrading that corridor.

Targeted expansions of our system, new connections I think are really going to matter in our ability to remain economically viable, and I would

just like to talk about one example, and it relates to actually the Hanover area. The Borough of Hanover technically is right over the York County line in York County, and that is a very compact sort of small metro area, if you will. I think there's about 50,000 people who live within maybe five miles of the town square, something like that. There's also about 20,000 people who work in that area. It's an employment center. And Adams County has been accommodating a very significant amount of the residential development where we have people now living who either work or shop or whatever in York County in the so-called Eisenhower Drive area. And we've been looking at that connection for years now. There's been four studies done. All of them have shown that it would be a benefit to connect those areas of Adams County with the employment areas in York County, instead of just shoving all that traffic down through the main street of McSherrystown Borough.

And under the current circumstance, despite the fact that we have private-sector interests, and I think willingness to work with people, we don't know how we can do anything.

That would be an example of one of these needed capacity enhancements. I think that if other

people just mentioned they are really essential for the long-term transportation viability and also economic viability of our region.

So I think a new emphasis on finding ways to fund not only these projects that involve our existing infrastructure but also the modern contemporary things we're going to have to do to make our region economically competitive and to make transportation affordable to give options to our citizens is absolutely essential, everything you folks are doing.

CHAIRMAN MARKOSEK: Okay. Thank you, Mr. Smoyer. Any questions for the gentleman? Representative Mike Carroll.

REPRESENTATIVE CARROLL: Thank you, Mr. Chairman. And the testimony especially from Adams and York reminds me of my -- one of the counties I represent, and that's Monroe County with the exponential growth and population and traffic there.

MR. SMOYER: We're just behind you in growth rate.

REPRESENTATIVE CARROLL: They said you can pass us any time you'd like. I know the bar is already set high here for us with trying to include backfill for the I-80 tolling, but I do think we have

to engage in a discussion with respect to capacity somewhere along the way here. Now, it's not just enough to try to aim for a rehabilitation of bridges and maintenance of roadways. There are needs for new capacity in this state, and you might find them - some of the folks that testified here, this is the first hearing, and I know I'm going to hear it when I go to District 5 with respect to the Poconos, and I suspect that there's other areas of the state. So despite the high bar that we have set with respect to the 470 million for maintenance, I do think we have to include in this conversation in a serious way capacity in some targeted locations throughout this state because the capacity in some of our roadways is -- I know that somebody testified that they're at a level of F service. I know that that level of service exists in other corridors, and we really do have to engage in that conversation.

MR. SMOYER: Could I just comment real quick on one thing you mentioned, the seven dollar a gallon gas, I just paid that last week for two weeks. I spent a number of weeks in Czech Republic and Hungary and Austria, and I saw incredible public works projects going on everywhere; new expressways connecting Prague with Hradec Kralove towards the

Polish border are under construction. I mean, the rest of the world in that foreign communist area is just one of them. China, all these other ones they are zooming ahead of us. As a traveler, I can tell you they are. So we're not just talking about doing things to address the problems our citizens see every day. I think we absolutely must be competitive with all these emerging areas in the world; Brazil, Russia, and even China, the former communist areas are advancing far faster than we are in energy and in transportation. I just want to put that on the record because I've seen it .

CHAI^IAN MARKOSEK: Okay. Representative Ron Miller from York County.

REPRESENTATIVE MILLER: Thank you, Mr. Chairman. I appreciate the gentleman from Adams County referencing Hanover. As former Representative Steve Nickol used to say often, it's the sixth largest, I believe is what he would say, retail center in the State of Pennsylvania, and I think it highlights the importance that we look at our own individual counties but look at our regions and how the transportation progresses across those boundaries because to your constituents they really don't exist. To a large degree, to our constituents, the state lines don't

really exist. I mean, we know we fund transportation in Pennsylvania with Pennsylvania dollars and dollars that come from the federal government to here, but when you're on a border of area, such as Representative Carroll and us in York County, the constituents don't really recognize that. We really need to look at it in a global context. So thank you.

CHAIRMAN MARKOSEK: Okay. Thank you.

Seeing no other questions for the panel, I want to thank the panel. We appreciate it very much. Very good testimony and we learned a lot from all of you. Thank you.

Next and I think what I 'll do is introduce the next panel, and we'll just keep kind of moving along and if somebody needs a break, you're sort of on our own, I guess.

District 9, Tom Prestash, District Executive will be given 15 minutes and the others are the Johnstown MPO, Chris Allison, Transportation Planner of Cambria County Planning Commission; Altoona MPO, David McFARLAND:, Planning Director, Blair County Planning Commission; Southern Alleghenies Planning and Development Commission, the Director is Fred Query, and he's the director of Planning and Community Development Division of Southern Alleghenies Planning

and Development Commission. So, gentlemen, welcome. Tom, as soon as you're ready, you've got 15 minutes, and the others will have ten minutes. Thank you.

MR. PRESTASH: Good afternoon. Thank you again. My name is Tom Prestash. I'm the District Executive for Engineering in District 9 which is located in Hollidaysburg, Pennsylvania. I want to thank everybody on the panel for allowing this opportunity for me to discuss some regional impacts here in District 9.

As you are well aware, our district covers six counties. We do have three planning organizations; the Johnstown MPO which covers Cambria; the South Alleghenies Rural Planning Organization covers Bedford, Fulton, Huntingdon, and Somerset; and Blair County which covers -- the Altoona MPO which covers Blair County.

As pointed out before, we do have a lot of unmet needs in our district; whether it means bridges and roadways, there's some examples. These are projects that are on our radar screen and that are currently unfunded. One I'm just going to mention Route 403 here in Cambria County, it represents about a hundred-year-old structure, and it really has a lot of significant impact to our community down there the

Johnstown Hospital and also the Johnstown High School is in desperate need of replacement and by not getting that funding there, the possibility of closing that structure which will have a significant impact on over a ten-mile detour. You can see the other pictures there when it comes to roadways and bridges.

403 structurally-deficient bridges in our district represents about 19 percent or one out of every five bridges in our district are structurally deficient. We have about 2100 state-owned bridges, and also you heard some of the local bridge impact. We have about 500 local bridges also in our district, which represents about 40 percent are structurally-deficient local bridges.

One thing that I do want to point out is the investment levels. Prior to the ABP program, and also the Act 44, we were investing in the early years of 2000 about \$18 million per year on fixing our structurally-deficient bridges, and the reason I bring that up is that our investment level in District 9 needs to be about \$35 million per year, and that means if we invest a minimum of thirty-five, we'll have status quo. We won't even impact the structurally-deficient percentage. So we have to have that minimum investment, and our numbers are showing

that we have a high of about 26 percent in '07 of structurally deficient.

Well, the good news is we did have some additional revenue. The ABP program as you heard about from the Secretary and also the Act 44, and that one has tripled our investment on our structurally-deficient bridges up to about \$49 million, \$49 million per year. And you'll see that the next slide we have made significant advancement. In fact, by the end of calendar year 2010, we're going to be down to less than 17 percent of bridges, which represents about 352.

One thing I also want to point out is part of that 49-million-dollar investment, I don't think you can lose - you've heard about preservation. It's very important to maintain what we have and keep good bridges good. Part of that 49 million and control that structurally-deficient growth rate I talked about, we need to invest and make sure we keep those preservation doors locked and by reduce funding, we see that preservation door as actually reducing, which concerns us.

You've heard about the age of infrastructure. Nothing new in District 9. When you look at the 2100 state-owned bridges, the average age

is about 52 years of age, and of those 403 bridges that are shown there on the map across the six counties, the average age is over 76 years of age. So old infrastructure, and it's only going to deteriorate at an even faster rate because of those years of age bridges.

The next slide shows where we're at and keeping track of what we've actually done on the investment rate. As stated, the green line is a 40 percent reduction down to the ten percent in ten years. That number represents our goal that we're trying to achieve, and by the inception of those two programs and the fusion of those dollars, you can see we've made significant improvement.

You can see that, as I stated, by the end of calendar year 2010, we're going to be down to less than 17 percent. That's the good news. With the reduced funding, we anticipate on this trend actually reversing. The red line that is shown there is if we completely restore Act 44 with the tolling of I-80. You can see that we actually have had some decrease, but then we're starting to get back up from the 2012, we've shown about 14.9 percent in the year 2014 15.4. And the reason I'm showing that that we're actually showing a decrease, I think this validates the

Transportation Advisory Committee.

As you know, the numbers that Mr. Schultz presented shows that the Act 44 is actually below what their recommendation level is, and you can see that our numbers are actually corresponding to his study, so you can see we're slowly, even with the Act 44, we're starting to crumble our numbers again.

The blue line represents what the actual funding is. It represents over 11 through 14, and you can see from years 2010 about less than 17 percent is growing to about 17 percent over those four-year period, and of course, it's no surprise it's due to reduced revenues, we're not investing as much as we need to be, below that mark I talked about the structured growth rate, and also there's preservation going on. We anticipate using preservation dollars and keeping good bridges good. So we see that ten continue to trend if revenues do not increase.

Roadways are a very similar picture. You can see that again our miles of roadway in District 9 is 420 miles. We have about almost 4,000 miles of roadway across our district. This represents about 11 percent of our network that is considered poor. Now, again, we made good progress. Since '03 our actual poor miles was about over a thousand miles or 26

percent. We've made some significant improvements over the last seven years down to 420. But again, with the reduced funding, we anticipate over the next five years, this will be -- there will be more red on this map. We're predicting that actually we're going to see about a 60 percent increase in this number or an additional 250 to 300 miles, additional miles upon 2020 miles you see there actually increase due to the current levels of funding.

Out of cycle, you've heard a lot about keeping the right pavement treatment cycles. This is very important, 879 of our miles are considered out of cycle; whether it's concrete, whether it's bituminous. There is suggested cycles that we need to be doing something. One thing I just want to -- I think it's been well stated, what happens if we don't, but to take care of the proper cycles, but I think it's important to note that, you know, although some of these roads ride good right now, they're not classified as poor, they are beyond its useful life. In other words, there's something we should be doing, and they're very susceptible to advanced deterioration, so that's very worrisome to us, and we anticipate this number being doubled by the year 2013, because we're not having those investment strategies.

Act 44, this represents our loss in our six-county region. Approximately \$56 million in losses, 32 projects across our three planning organizations. Blair County is going to stand to lose about 11.7 million, Johnstown about 13.9, and Southern Alleghenies which covers four counties covers \$30 million of loss.

One thing I do want to point out, these are much-needed projects. These are not -- They were projects on our radar. They were next in line. We were fixing structurally-deficient bridges, maintaining what we have of those proper cycles, and removing those lane miles of core. So that's what those represent. So what's corresponding to that is when you saw the graph going up with the structurally deficient bridges going in the wrong direction and advancing or actually having more miles in the core network and also on cycle.

Lou Schultz this is -- Mr. Schultz talked about the TAC. This is basically all the things I talked about, the goal of the 40 percent reduction in ten years being down to the national average, getting back on the proper cycle and removing our backlog. That in our area in over six counties, is about 265-million-dollar investment we should be investing on

our infrastructure.

If you look at currently our TIP over the next four years and also our maintenance allocation, we're investing on our roadway and bridge network about \$122 million, which then represents a shortfall of 143 million. And again, this corresponds to - when you look at the numbers, again this kind of validates what Mr. Schultz was representing. He saw our numbers actually getting worse over the next four years because we're not investing at the appropriate levels.

We are a multimodal agency. We've got to make sure we look at our transit partners. You can see that we do have two transits in our area, the Amtran and Cambria County Transit Authority, or Camtran. You can see the annual ridership. We've had discussions with them, and both those agencies operate in a rural and urban setting. Based on the reduced funding levels, both agencies are predicting placing a hold on capital projects, which will increase operating costs to maintain an aging fleet of facilities, which most likely will result in an increase in fees.

Amtran is saying that normally that their normal life of service on community transit buses is

about 12 years. Amtran is reporting about one-third of its overall fleet is over 35 years of age. Camtran much of the same story. Their current operations facility is over a hundred years old, actually 117 years old and is in poor condition. And the loss of funding will prevent most of these agencies from making the necessary capital improvements to maintain their operations and services.

As Mr. Ferguson, my counterpart from District 8, pointed out, we do have information on the website. I won't reiterate that. At this time, I thank you again for allowing me this opportunity to give you a snapshot of our engineering district, and I'll entertain any questions.

CHAIRMAN MARKOSEK: Okay. Thank you, Tom. Any questions of Mr. Prestash? (No response.)

Okay. Thank you. Next we have the Johnstown MPO represented by Mr. Chris Allison, who is the transportation planner of the Cambria County Planning Commission. Mr. Allison. Welcome.

MR. ALLISON: Thank you.

CHAIRMAN MARKOSEK: Thank you.

MR. ALLISON: Good afternoon, everybody, and thank you again for giving me the opportunity to come here today and talk a little bit about what's

going on in Cambria County and some of the issues that we're having. And my presentation is going to be sort of similar -- I'm going to repeat maybe a few things that Tom had just mentioned before on the Cambria County level.

First off, I just wanted to go over a little bit of overview of what our system looks like. In Cambria County, we have approximately 740 miles of road, and 146 NHS miles and a few -- a couple of good points here. We've actually been able to increase the miles of good or excellent roadway from 55 to 62 percent since 2003, and miles of poor roadway have gone from 16 percent to 10 percent. So there are a few good news items there.

Unfortunately, that's the last bit of good news that I will be able to share with you throughout the rest of the presentation, and we were able to do that through, you know, a great effort by the MPO and by PennDOT, and if we don't -- if the funding crisis isn't solved, we're not going to be able to continue to clear our roadways at this rate.

Next here's a little map that just indicates all the structurally-deficient bridges that are located in the county. We have about 56 of them, and it amounts to about 17 percent of the total bridge

area in Cambria County are structurally deficient.

Another small amount to just show you the roadways that are rated poor for roughness index. Okay. So, I wanted to share a little bit about what our next transportation improvement program looks like as far as funding, just to give you an idea of the amount of funding that we're working with here. Over the next four years, and that should say 2011 to 2014 TIP, our base funding is basically around \$66 million, and if you throw in spike funding and earmark funding with that, we're just over 75 million. Okay. So that's what we're getting. How does that relate to what we actually need?

These are -- this chart is based on some estimates that we did in the fall for the State Transportation Commission hearings in which the green lines indicate what we anticipate funding we would need to maintain the current system that we have and to reduce our structurally-deficient bridges by four percent per year, and the red line that you're seeing there indicates what we're actually getting in the next -- over the next four years through our transportation improvement program, and as you can see, it's drastically lower than what the needs are and the needs obviously keep growing while the revenue

has remained pretty much the same.

Incidentally, the blue lines indicate what we would have had had we had the I-80 tolling going through, and I believe there's a little bit of different figuring there for federal funding, too. For the most part, that's what we would have ended up with had Act 44 been fully funded. And as you can see, it still would not have been enough to address the needs that we have, let alone to add any other type of capacity adding projects or other types of projects.

And this is how the numbers break down. If you would add up all those green lines, you would need about -- estimate about \$134 million over the next four years just to maintain the system that we have. And with the fully-funded Act 44, we would have ended up with about \$114 million, and what we currently have is about 75.3 million.

So, I mean, if you do the math, the shortfall between what we think we need to maintain our system and what we're actually getting for the next four-year TIP cycle it's about close to 60-million-dollar TIP on the funding shortfall. And that's just for Cambria County, and our TIP is a lot smaller than some of the other counties that have

been here today, some of the other regions represented.

This is what the Act 44 funding reduction as a result of the I-80 tolling denial means. As Tom mentioned, we have about close to \$14 million worth of bridge and resurfacing projects that we had to defer and also I added in there an estimated \$20 million that the Cambria County Transit Authority was hoping to get to improve their -- to build a new administration and maintenance facility at that time.

Here's just a breakdown of some of the actual projects that we won't be able to do, and we looked at the Cherry Run culvert that Tom showed you a picture of is one of the projects that's listed here, and it comes to about \$32.9 million.

That's just the map showing basically the location of those projects. I'm trying to move through this as quickly as I can. So that's - that represents what the shortfall of the amount of money that we would need just to maintain our current system.

Now Cambria County does not have the expanded population and congestion issues that some of the other planning organizations mentioned this morning. What we do have is we have some economic

difficulties in Cambria County, as you are probably well aware of, and one of the things that we are trying to do to address these is provide better access to Johnstown and to the county in general, and the Planning Commission and the MPO had recently completed a Major Highways Action Plan Initiative in which the plan recommended improving the access to the region by improving Route 219 north of -- in the northern part of the county and also PA Route 56 east and west of Johnstown and improving them to be high-speed corridors.

Now the 219 portion of that we realize that realistically we're not going to get a limited access highway from Ebensburg all the way up to New York. It's just not going to happen. The plan addressed this issue in a more practical way by recommending roadway realignments and bridge widening and so forth for roadways, so that the existing roadways can be converted or improved to the point where access and traffic flow would be safer and more efficient in that region of the county.

The price tag for that would come into be about 33.7 million, and that's -- those numbers are already at least a year or two old, so the price is obviously going up as we sit here. So that's just

a -- That's Route 219.

As far as Route 56 improvements, we have been able to do some of these improvements as far as the TSM improvements and the -- we were able to replace the Ferndale bridge; however, there are some other intersections and particularly there's a section in the west end of town that has an S curve that severely limits truck mobility through that area and hampers safety because the trucks have to cross the center line to get through those S curves. That project we're currently not really able to get any funding for or program or add to our 12-year program, which is what the funding study or what the enhancement study recommended that we do. So unfortunately, there is a project that would really improve the economic viability of the county that we're unable to even think about doing right now to the funding issues that we have.

That's just a small snapshot in the amount of time that I had to talk about the highway issues, and before I am done here, I do want to mention again, we also have a significant problem with funding for our public transit system, and the major problem here is that without the Act 44 funding and without adequate funding at the state level, Camtran, the

Cambria County Transit Authority, is completely unable to -- completely unable to secure any state national funds to do capital projects, and that includes as Tom mentioned their 117-year-old building which is just completely obsolete and in need of replacement, and also they have some buses that are used that are approaching the end of their useful life and will need replaced soon.

All of these things are -- if they are allowed to continue and not be replaced, they add the maintenance cost to them keeps going up through over time to the point where it's very difficult for the Camtran to keep up with that.

In addition to that, they anticipate a loss of 146,000 in operating costs next year, and I think we all know what those usually result in, fare increases, service cuts, and eventually employee layoffs. So the situation is bad all the way around, the highway bridge side also on the transit side. That's all I had. I apologize for going over the time a little bit there. I'll answer any questions.

CHAI^IAN MARKOSEK: Thank you. I appreciate that. It was very good testimony. Any questions of Mr. Allison?

(No response.)

CHAI^IAN MARKOSEK: Okay. Thank you. Just change the batting order slightly, next we're going to have Fred Query from the Southern Alleghenies Planning and Development Commission. It's my understanding that Mr. McFARLAND: has a PowerPoint that has to be loaded, so he needed some extra time to do that, so in the meantime, we'll have Mr. Query, please.

MR. QUERRY: Good afternoon, Mr. Chairman, and honored members of the House of Representatives. Thank you for allowing us to be here today. A little bit about the Southern Alleghenies. We're an RPO. We're also an Appalachian Regional Commission local development district responsible for economic development in six counties, which overprints District 9's six counties who are fortunate there. We're also an economic development district of the US Economic Development Administration, and also a Work Force Investment Board or WIB for Pennsylvania. So whenever you talk about the Commission, you're talking transportation planning, economic development planning, and work force planning.

I'll cover the five points that you had requested information on in the letter we received inviting us here. Before I get into the specifics of

the MPO, I need to say that I'll track the MPO issues, but where projects cross county boundaries into the MPOs or into another region, I'm also going to include that because of the regional view that we do have.

We believe that the RPOs state highway and bridge systems are in a financial crisis along with the rural transit system. I have a little bit different twist on transit. I'm talking class five providers here, rural areas.

If you take a snapshot of our numerous highway and bridge projects, currently things don't look too bad. We heard a comment about the way people view the situation locally. If you go back to our May 14th meeting of the Coordinating Committee, we have 41 ongoing construction projects. We have an upcoming Let's Report included 25 projects. I'm also the Chair of the Tech committee and sit on the Coordinating Committee, so I've got a pretty good view of what's going on, and this does sound pretty good. But if you take a look at the next TIP and the long-term funding projections, things are not well.

We'll talk about some numbers here in a little bit. We currently have 291 structurally-deficient state bridges in four counties, 368 miles of state roadway in poor condition, and

we're facing a 23 percent reduction in our TIP base allocation for the next TIP. It's going to go from the '09 of 212 million down to 163 million, and we're going to need some additional funding.

Our focus has been on maintenance and preservation of the current system, and as you've heard from other people here this morning, we cannot ignore targeted priority capacity building projects. We currently have two that we have been working on, and that's the Corridor M of the Appalachian Development Highway System, which is US Route 22 between Lewistown and Duncansville and then Corridor N of the Appalachian Development Highway System which currently needs to be completed between Somerset and the Maryland border.

As far as the class 5 providers, I spoke with them yesterday in preparation for this testimony. Their primary issue is with the shared ride program and decreasing revenues because of decreasing ridership, and in the winter months because it's a lot different up especially in Somerset than it is down here in Harrisburg, but in one case Somerset went and actually secured ARRA funding to offset about a hundred-thousand-dollar shortfall they had last year, and that's a one-shot deal. So they're facing

struggling with their resources.

Now Pennsylvania's deficient infrastructure has directly impacted our ability to improve the regional transportation system and the regional economy. I'm specifically going to talk about Somerset and 219 between Somerset and Meyersdale. We currently have that project on the TIP, and this project impacts not only our region but north central PA because it's part of Continental 1.

Based on the studies that we've had from the Appalachian Regional Commission, the effects of the ADHS completion has on regions, we envision that the 219 completion would have the same effect that it had on Blair County whenever I-99 was finished. Fifteen years ago, whenever I moved back to Pennsylvania, Blair County was like the rest of our counties in the bottom quarter every month on the unemployment report as far as high numbers.

Currently after 15 years, Blair County is now on the top quarter versus the bottom quarter whenever it comes to unemployment. They've diversified. They've expanded their logistics, manufacturing, retail, tourism, and technology clusters. They've envisioned the same thing along the Appalachian corridors.

Next point, inaction on transportation funding is not acceptable from the perspective of maintaining the current system, increased capacity on high capacity -- on high-priority projects, and on a regional economy.

The maintenance, preservation, and high-priority projects are critical for the movement of goods, services, and people to further the knowledge, economy, and continued diversification of the regional economy, which it has historically been based on coal mining, steel production, and rail infrastructure and repair.

I have some statistics in our testimony. I'm not going to go over those except one. Key point, that per capita income. A program that PA currently has on the per capita income for the four rural counties, in 2008, compared to the national average, our four county per capita income is 20,166 compared to a national of 40,166. Now key point on that. These are the people that eventually will wind up out in the rural areas by having to meet the cost of improved transportation.

And if you take a look at the per capita income between metropolitan areas and rural areas, there's some significant differences there.

Now, what level of funding is necessary to increase -- to improve maintaining the system and meeting the state's goals, the figures I have of testimony are from our testimony in fall of 2009 up in State College. I talked with Tom this morning, and those numbers, I'm not going to run through those, but the bottom line is, the bill is going to go up based on the current transportation recently completed study that Mr. Schultz talked about, and the numbers that Tom presented here this morning. Those numbers will be going up.

Now, the two capacity projects I talked about, the Appalachian Corridors, I need to point out that that's an 80/20 with the 20 percent state side. We currently lost the toll credits because of language in Washington. We hope to get that corrected in the next edition of SAFETEA-LU.

Now, a couple of safety projects we need to think about if we had increased funding. Route 56, Chris talked about that. There is a curve on the Appalachian front, Peggy Westover of Pleasantville Curve, we're currently working on that. The cost is about 40 to \$50 million for that 3.2-mile section. We just had two truckdrivers killed there in the last two weeks in a very serious accident. Fortunately, the

cars that were involved, there was no one seriously injured in the cars.

The realignment of 522 is a safety issue at Gem curve down in Fulton County. McConnellsburg and Fulton County is the economic center of gravity for the county and a regional employment generator for the region. Oshkosh Truck is located there. They are also currently doing some extensive contracts for the Department of Defense, manufacturing defense vehicles for the war in Afghanistan and Iraq. If you see these vehicles, that's what they're doing there. Significant economic development issue for Fulton and the surrounding counties.

The last project I want to talk about is Route 453 between Water Street and Tyrone, covering between - into the MPO in Blair County. Huntingdon County is currently working with some efforts to see if they can move miles off of 22 between Water Street and Duncansville and switch those miles onto the 453 Corridor. It would save about \$330 million by doing that and also giving more direct route directly onto I-99.

A final closing comments here, we've heard -- I know Representative Geist has voted for it, for funding options. The State Transportation

Advisory Committee funding study has a number of options, and they all need to be looked at, analyzed, and debated because everything needs to be put on the table, because it's not one fix is not going to take care of the whole problem. We're going to need multiple fixes, like an economic development project.

Priorities must be set, decisions made and implemented in a realistic time frame. Now, one of the questions that came up this morning was, how soon do we need to act on this? For us, a realistic time frame is now. Because if you look at the numbers from last fall to the numbers now, just in our region alone, we're losing ground due to inflation and other activities.

There was also a comment made about keeping up with the world economy in I believe it was Adams County. Pennsylvania is geographically and economically situated in a good place next to the ports. It has a good work force. It has a competitive advantage. It would be a shame to lose that because we have bad roads and bridges. That's how it came down to the local language in downtown Huntingdon County. Do you have any questions?

CHAI^IAN MARKOSEK: Okay. Amen to that final statement there. Any questions? Mike?

REPRESENTATIVE CARROLL: No.

CHAIRMAN MARKOSEK: Okay. Thank you very much, and Mr. McFARLAND:, thank you for your patience. You're up, s i r .

MR. McFARLAND: Thank you for the opportunity to testify here, Dave McFARLAND:, Director Planning Commission of Blair County. We also double as the staff of the MPO for Altoona.

This front slide shows where we're located in the state, slightly less than center, slightly south to center as well, and also Altoona in terms of corridor improvements has fared well over the last two decades, we've had people in the right places in terms of funding, in terms of getting the projects done and delivered. We have Route 220, north and south, which is now known as I-99 and Route 22 to the west a l l have been improved in the last quarter century, and I just heard about (inaudible) going out to the east, and that will be a nice improvement as well as time goes forward.

I would like to go a little bit into the history. I am new in this capacity, and what I'm about to go over is -- there's no blame on me here. Historically we've had a direction for transportation the MPO throughout the RPO and the other MPO hearings

in District 9 focusing on infrastructure improvements. We've been looking at for the past couple of years and what we're looking at here going into the future. Primarily looking at keeping our bridges up and maintaining roadway conditions, you see this 40 percent reduction number being thrown out a lot, and we are meeting that goal. You'll see that on the next slide here. But little focus now, as I said we are well positioned in terms of those two major corridors on capacity expansion with the exception of some targeted projects that will happen later.

Our roadway facilities here, some statistics we got from District 9 here showing the improvements that have been made over a five-year period on our roadway facilities, 50 percent increase in excellent and good miles and 75 percent decrease in four miles of our roadways, and then our bridges a similar situation structurally-deficient bridges have been decreased by 25 percent.

Two weeks ago the Transportation Commission met in our MPO in Altoona, and the one slide that Tom presented here a few minutes ago showed the trend going down and then the hook on the end, and when that slide was up, an old memory came back, the ABC Wide World of Sports from the early eighties shot a man

going down a ski slope and falling off to the monotone and agony of defeat. You question whether our skier is -- we need to keep him on that ski slope at this point in time. We've so far been successful at that, and we hope with our funding situations, we can find a way to keep our skier on that ski jump.

To that end, this is the loss of funding on Act 44. This was alluded to a little earlier. In Blair County alone, there are five projects that will not move forward as a result of that. Some of those are multipart bridge projects. We entered in our bridges in single projects and take care of them all at once.

The shortfall is \$11.7 million and includes seven and three-quarters miles resurfacing and 12 bridges. Twelve bridges were placed on there for cost effectiveness where they were on the cycle and to try to save the money up front rather than spending more a little later. It is a case of pay me now or pay me a little more later, and in this case, it's going to be pay me a little more later with this shortfall. It will be added on as the funding becomes available a little further down the road.

Shortfall for our roads, bridges, \$17.7 million short on our roads. We require over this

four-year window for our next funding cycle, we would require \$45.7 million. We're projecting to receive twenty-eight. For our bridges, we need about 78.8 million, projected coming in is 32 and a half. And you can see for the Blair County Altoona MPO, it's a shortfall just on roads and bridges for maintenance of about \$64 million. There's no new capacity in that number. That's just to keep things moving along on the trends that I just outlined.

One of the questions on the cover letter that we received on the invitation to this hearing was what we would do if funding were restored, and what we would do if some extra funding were to become available.

The top bullet would represent what we would do if funding were restored. We would restore 64 million, and we would focus any restored funding onto those continued maintenance levels. The question is whether we're in crisis or not. Fiscally I would say if we are unable to maintain what we already have on the ground with the current fiscal levels, current financial capacity that we have, we are in crisis. We are at the point in Blair County, where it's not sufficient funding to maintain what we have.

If additional funding were to become

available, the next two bullets would come into play. There's a small portion that parallels I-99. It's called the Park Avenue Connector. It would run between a new shopping center and an interchange, potentially that's a number 32. It's a critical missing link. Currently there's an improvement project for capacity on what's called Park Avenue. It's being increased to four lanes to serve the Lakemont area. There's a ballpark there and some other business interests in that area, but because of the location of the interchange and the way the geometry of the intersection works, the section between the new shopping center and this improvement has not been funded yet. That improvement has a 21-million-dollar price tag. Currently people need to make a right turn and come onto a temporary road and do a dogleg to get back onto the road in front of the shopping center.

Then also we have at the next Interchange down I-99 is Exit 31, traditionally that is the core of the Blair County shopping areas, the retail districts. There is a need there as they're exiting southbound, and the ones that access the mall, there's not enough capacity to make a left turn into the mall area. The left-turn lane, people coming off that exit

ramp, occasionally will block the through lanes in order to access that left-turn lane, and we need some increased efficiency in that area. The problem is only getting worse. And again, our 2009 projection for that is about \$4 million for that wish list. The total wish list if we were to restore funding and add these two projects over the next four years, would be an 89 million dollar just for our MPO.

Brief nutshell of where we are. I'll entertain any questions.

CHAI^IAN GEIST: Just a couple of questions. When you work downstream from funding and how funding is generated, are there projects there that are missing like the 17th Street project that was taken off the plan to connect 36?

MR. McFARLAND: Are you talking about in town?

CHAI^IAN GEIST: Yeah, I'm talking in town. I mean, there's some things there that are missing, and I was surprised to see them missing, actually very surprised.

MR. McFARLAND: The in-town connector, is that still on? I don't remember that.

MR. ALLISON: It's been since deferred because of the funding. It's a critical connection

between 17th --

MR. McFARLAND:: Yeah, that's the other end of the Park Avenue if we're going to take 36 up that way, yeah, that would be added on to there as well then. I didn't think of that one.

MR. GEIST: Well, you didn't think about it, but if we're going to make that the Route 36 bypass, so we're running 36th on 17th Street, we ought to finish the Mike-Ryan connector that links them. There's a lot of these projects that sift through that need to be thought about.

MR. McFARLAND: Well, we will put that on. I'm intending to add some written testimony as well. I will get that added in and submit that as well.

CHAI^IAN MARKOSEK: Okay. Thank you.
Representative Mike Carroll.

REPRESENTATIVE CARROLL: Just quickly, and I know it's probably a really hard question, but do you think the citizens in your region understand the need?

MR. McFARLAND: No. As was mentioned, we have been doing our project planning and our overall planning on a fiscally-restrained basis. The projects appear to be moving through. I was just thinking on my way here. I live in Williamsburg, which is a small

town in the eastern part of Blair County and my in-laws live in northwestern in Somerset County, and as things progress right now, as I'm going between the two households, I was thinking that maybe I should have invested in some orange barrels for this year for the appearance for people using the system. There's a lot of construction going on right now, so they're not aware that we're going to hit a brick wall here very shortly.

REPRESENTATIVE CARROLL: Maybe Blair County is an exception compared to the others. I'd be interested in Cambria County and the RPO.

MR. ALLISON: Just speaking from personal experience, I think that the citizens in our area are very much aware that the roadways that are not under construction are very much in disrepair and very much in need of some attention. My friends when they find out what I do normally do sit down with me, and they all have their own projects that they would like to have done, for sure. So, unfortunately we are not able to do half of what we think needs to be done let alone what the citizens in the county would like to have done as well. That's just from my perspective.

MR. QUERRY: I'll just give you some newspaper headlines from the press release we put out

from some of the newspapers across the counties. Failed I-80 tolling means fewer bridge and road projects. Lack of funds kill PennDOT projects. That was a front pager. Bridge road projects at risk. A list titled -- The title at the top of the list, A no-go, which is pretty basic language. These are front page type items. That was front the Altoona Mirror.

But by and large, I think across the counties that we've always been very -- the rural counties have been very sensitive to funding Somerset on 219 and also the bridges up there because of the severe winter weather and Bedford County because of their unemployment rate, and building two business parks. They're very sensitive to what transportation improvements mean and not having them also means. Fulton County I know I have been down there with both federal and state aids for elected representatives on Gem curve and another safety project.

Currently with the situation with Oshkosh Truck/JLG and Fulton has one of the highest unemployment rates, and they equate that to we got to keep the plan -- we have to get those trucks in and out of there. Huntingdon County if you ask them about the expansion of Route 22 or a couple of other

projects, a year and a half ago it would have been too late as they say. So the rural counties the word is out there.

REPRESENTATIVE CARROLL: That's good to hear. Thank you.

MR. MCFARLAND: I would like to say, we are getting the word out as well, but I was talking general citizenries, not so much aware.

REPRESENTATIVE CARROLL: I understand.

CHAI^IAN MARKOSEK: Okay. Gentlemen, thank you. We appreciate that very much. I know the stenographer needs a little break, so we'll take a short break. We'll have Jim Runk and Mr. -- let's see Mark Berg and Richard Chevrefils from the AARP come forward while the stenographer is taking a break. Thank you, gentlemen. Thank you.

(A short recess was taken.)

CHAIRMAN MARKOSEK: Jim Runk from the Pennsylvania Motor Truck Association. Jim.

MR. RUNK: Thank you. Good afternoon. My name is Jim Runk. And, by the way, Mr. Chairman, I've already submitted testimony, so if you don't mind, I'll just paraphrase some of this in the interest of time.

CHAI^IAN MARKOSEK: Sure.

MR. RUNK: I am the President of the Pennsylvania Motor Truck Association. Our membership is approximately 2100 members. It includes all types of truck operators in the Commonwealth and outside. We're the fourth largest employer in the Commonwealth with about 365 people. That's one out of every 14 workers involved in the trucking business.

Chairmen and Representative Carroll, the industry sincerely appreciates you waiting around for those who probably are going to have to pony up and pay this bill, so I appreciate it very much that you're here to hear this.

There is a critical need, there's no question about it to have a safe and efficient transportation system. And according to us, it's unacceptable and irresponsible not to do anything now. We have to have a fair, equitable and sustainable funding source for our roads and bridges. Because we have to rely on those safe roads and bridges to deliver products to over 86 percent of the Pennsylvania populated communities who depend on us for everything they wear and use.

While we agree, those of us in the transportation industry agree that the road systems appear to be wearing out, I believe now the general

public is becoming more aware of that issue themselves.

Being part of the Transportation Funding Task Force, we are acutely aware of the situation because all travelers now are facing an aging system in which many cases the roads are crumbling and knotted with delays. These delays cost the trucking industry millions of dollars a year with wasted man hours or even missed deliveries.

Deficient infrastructure directly impacts the way our industry does business. We have to serve over 86 percent of the populated communities in Pennsylvania. The bridges, if any bridges are weight limited, additional routes must be found. The resulting hours of circuitous routing and more miles driven at an average of just six miles per gallon places a tremendous burden on fleets and increase the costs of delivery.

The lack of funding to reconstruct roads on a cyclical basis means bigger problems. Over time they need repaired or resurfaced or they deteriorate. Congestion will increase, costing the average Pennsylvania motorist over the next 20 years, and that cost is passed on to businesses.

Our industry applauds the Governor and you

two Chairmen for calling and being in a joint session of the legislature to discuss this issue. Our industry believes it's necessary to provide immediate funding because we need it now. Available immediate funding sources that we believe are fair, equitable, and easy to collect include lifting the artificial cap on the wholesale cost of fuel, increasing fuel taxes, or any other -- and some other combinations of revenue generators.

We must, however, create a long-term strategy to ensure the sustainable funding. However, until that occurs, we believe that all Pennsylvanians should have the responsibility to improve the Commonwealth's transportation system by paying their fair share.

Mr. Chairman, the PMTA and the trucking industry look forward to working with you, the legislature and the administration to come up with a reasonable highway funding solution that is fair and equitable and impartial for all the Commonwealth's citizens.

One last comment, I would like to congratulate both of you who have a wonderful article in the Patriot News today that said government should work the way you two are working with a bipartisan

communications in doing what's necessary for Pennsylvanians and our road systems.

CHAI^IAN MARKOSEK: Okay. Thank you. Thank you, Jim. Representative Geist.

CHAIRMAN GEIST: Jim, since we're doing all this for the record, can you explain what it means for a driver to be timed out because of congestion and spending so much time behind the wheel?

MR. RUNK: Yeah, I'll do that very briefly. We usually have seminars on that, as you well know, on hours of service. But things occur on a highway, particularly congestion that will tie a driver up. The driver has certain periods of time he can drive during the day and he has to have certain rest hours. If he drives 11 hours, and he has to stop for two hours for some incident, that just exacerbates the hours he may not be able to make it to his destination in that time; therefore, he has to stop at the rest area. So any kind of stops like that, particularly in a just-in-time society is detrimental not only to the industry but detrimental to the shipper and the receiver because they rely on those goods to come in at the right time.

CHAI^IAN MARKOSEK: Okay. Thank you. That is interesting. I'm sure folks aren't aware of that

kind of thing. Thank you, Jim. Next we have American Association of Retired Persons.

MR. BERG. Thank you.

CHAIRMAN MARKOSEK: I've been corrected before about that. But anyway, I got it right today. Mark Berg and Richard Chevrefils.

MR. BERG: Thank you for the opportunity and thank you for people behind me for allowing me to move up on the schedule, but I'm representing AARP and we all need our afternoon naps, so I have to get home.

I'm an AARP volunteer from Gettysburg, and I'm also an instructor with the AARP driver safety program, and I also do work closely with the Transportation Planning officials in my area, which is Adams County, which includes the Adams County Transportation Funding Organization, and the Gettysburg Adams Chamber of Commerce Transportation Committee. I also chair the citizens advisory council of the Adams County Office for Aging.

In the driver safety classes I teach, nearly every attendee is worried about how he or she will get around after they hang up the keys for the last time. In our class, we hand out a other transportation options worksheet. Once they've checked off paratransit, they're done. There are no

other options in all of Adams County. There's no taxi service. We do have Freedom Transit on a second of -- there's six streets the second of three-year projects, so we're not sure if that will survive.

In your letter inviting us, you asked a few questions and one is how will the deficient infrastructure directly or indirectly impact your community. So I'm pleased to talk -- or not pleased to talk about it but talk about the dire need for seniors to have more transportation options. And it's not just transportation. It's certainly not transportation. It's really mobility, and we must use the current special legislative system to develop a comprehensive transportation plan, again a mobility plan that provides accessible, safe, and affordable options for seniors. It must also include long-term solutions for transportation problems instead of just implementing a stop gap approach in response to a lack of tolling on I-30.

One in seven Pennsylvanians is 65 years or older, and they represent the fastest growing demographic group in this state. They need transportation assistance more than ever before, particularly in the suburban and rural areas of this state. Now our older residents require help traveling

to medical appointments, to their banks, to grocery stores, and in many cases now to their jobs.

The size of Pennsylvania's aging population will only make these problems worse over time. By 2030, almost one in four Pennsylvania residents will be over the age of 65. The availability of transportation services, the safety of roads and vehicles, or the design of communities are essential to helping Pennsylvanians live independently, and these are critical concerns for our seniors.

In our view, it's very significant that any updated transportation plan will address limited or non-existent public transportation in rural suburban areas where most older Americans now live.

According to an AARP survey, 60 percent of people age 50 and above do not have other transportation, ten-minute walk from their home creating a mismatch between communities design almost exclusively for cars in a growing population that does not drive or chooses not to drive. Thankfully we do have Pennsylvania shared ride and transportation for the elderly programs that provide seniors with millions of rides annually and are available through area agencies on aging and includes suburban rural areas where there is sometime no other public

transportation.

Those potentially can be expanded use of lottery funds to help rural residents access medical care, food, and so on, and the same goes for Pennsylvania's free transit program, which allows older residents to travel at no cost on weekdays during nonpeak hours and on weekdays on certain bus routes.

You ask, do we believe we're in a financial crisis, obviously it is; but it extends far beyond access to public transportation. Research shows that one in four drivers will be 65 or over by 2025, which has implications in planning, design, and operation of maintenance of roads and bridges which are already crowded. And we must follow the Federal Highway Administration's highway design handbook for older drivers and pedestrians by considering both the physical layout of our roadways and use of traffic control devices, which is signs, traffic signals, and improved lighting for all road users.

Protecting the safety of our residents cannot be limited to just the roads and are often overlooked when planning for safer streets and sidewalks for pedestrians, the concept being called complete streets. The AARP survey results showed that

four in ten pedestrian fatalities are people over the age of 50, and many of those deaths occur at intersections. Lack of sidewalks altogether or those that are poorly designed and maintained discourage walkers of any age, but particularly those elderly or disabled. We can improve safety by taking steps to improve disability intersections, adjusting traffic signal timing, allowing more time to cross and so on.

Is inaction acceptable? In the end, we need to be providing a wide variety of transportation options to enable Pennsylvanians, especially older residents, to retain their independence and stay engaged in their communities. It's a fact that those living in an area where transportation is better integrated with housing, make more trips outside of their homes on foot and by public transportation than those who do not live in such locations. And our research shows that people who do not live in areas in those situations who don't have reliable means to get out of the house, can become socially isolated and more likely to suffer the chronics of both physical and mental health.

I'm taking your last few minutes. The cost of the Commonwealth relies needlessly on unnecessary health care, the spending will mount quickly if these

challenges are left unaddressed. I can see it live. Resources keep our communities successful and viable. We look forward to working with you during this special session to develop a plan for all Pennsylvanians. Thank you.

CHAI^IAN MARKOSEK: Okay. Thanks, Mr. Berg. Did you want to add anything or just here for moral support?

MR. CHEVREFILS: Moral support.

CHAI^IAN MARKOSEK: Okay. Thank you. Keep us all awake this afternoon. Okay. Next the American Council of Engineering Companies, Steve Bolt, Jill Thompson, Mike Ryan, and Andy Hilt.

MR. BOLT: My name is Steve Bolt. I'm the President of the American Council of Engineering Companies. I'm also President of a Pennsylvania based consulting engineering firm, Orth-Rodgers & Associates. I'm joined by ACEC/PA's government affairs Chair, Jill Thompson; Mike Ryan, Vice President of Michael Baker, an active member; and Andy Hilt, our Executive Vice president.

ACEC/PA represents 132 engineering companies and in turn represent over 10,000 employees and their families. If you wonder what it is we do for a living, we are the engineers who design and

inspect the Commonwealth's transportation infrastructure, the roadways, bridges, county and municipal roads and bridges alongside our state and county municipal partners.

As professionals, we are charged with and take very seriously the safety of the traveling public, and we are in answer to the unasked question already today, profoundly concerned with the lack of funding to address our immediate infrastructure needs.

In short, and others have said it more eloquently, no comprehensive long-term sustainable funding solutions, as far as we're concerned, means closed bridges, detours, increased congestion, transit cuts both urban and rural since that spreads across all 67 of our counties, immediate threat to public safety, community impacts again in terms of closures, detours, disruptions with emergency services, and a less competitive Commonwealth. It's been said that our transportation infrastructure is a test of where the Commonwealth will be in the next ten years, and that's not a pretty picture if we look at where we are today; and lastly it means job losses and a lack of economic stimulus across the Commonwealth.

Now, within our Association, we conducted an informal survey of our membership and asked them a

couple of questions relative to what the loss of tolling I-80 as well as an incomplete infrastructure funding would be, and without a fully-funded transportation program, over 75 percent of our member firms expected to reduce their work forces. Without full funding, 80 percent do not intend to hire recent college graduates, and we believe without doing a stochastic methodology on this that that means that those college graduates leave the Commonwealth.

Our member firms typically receive five or more unsolicited professional resumes per month for positions that do not exist without full funding. However, with full funding, on the contrary, nearly 90 percent of our member firms would increase their work force immediately. So what we endorse or support is a comprehensive funding solution as others have noted to generate the \$3.5 billion per year noted in the TAC report; a gas tax increase or raising the oil company franchise tax cap with an annualized inflationary adjustment, we also support inflation sensitive increases in both vehicle registration, title, and licensing fees. We endorse legislation to enable county and municipalities to raise revenues for transportation. We endorse the notion of new P-3 legislation, although the cautionary note is, of

course, at the biggest component of the P-3 through the funding sources is the public dollar.

We certainly endorse moving the Pennsylvania State Police out of the Motor License Fund and the general fund, and that impacts me personally, since my own municipality uses the State Police, but we endorse that, and we endorse the development of a mileage based user fee to replace the gas tax as our primary finance tool, also known as VMT.

It's been said that from crisis comes opportunity. Right? We have an opportunity right now to resolve infrastructure issues that frankly have been deferred for decades. We have an opportunity to leave the Commonwealth in a better state than we found it. We have an opportunity to prepare the Commonwealth's competitive advantage for future generations to come.

And lastly, it doesn't really matter how come we got into this position, but the time to act is now. I would like to reinforce and underscore our offer the Association has made to both of the Chairs in the recent past, in any way possible, to achieve our mutual goals. Thank you.

CHAIRMAN MARKOSEK: Okay. Thank you. I

have a question. ACEC was on the Hill Tuesday, and I know you were coming around to various offices, so I'm just curious what the feedback was from those meetings and how you were received and, you know, is there -- would you say you were optimistic after that, or we got a lot of work to do?

MR. BOLT: I think we're more optimistic than we were before we started the day at 8:00 in the morning on Monday.

My own personal experience in talking to both sides of the aisle as well as both houses is that there is a growing acknowledgment of the depth and magnitude of the problem, and there is a growing acceptance of the time to act in the public is right now.

CHAI^IAN MARKOSEK: Okay. Good. Any other questions?

(No response.)

CHAIRMAN MARKOSEK: Thank you, ladies and gentlemen. Okay. Next we have the Pennsylvania Public Transportation Association, the PTA. We have our friend Rich Farr back again as well as Dave Kilmer, Red Rose Transit; Rose Lucey-Noll, Cambria County Transit; and Dennis Louwerse, my bodyguard on the State Transportation Commission, and --

MR. JONES: Bill Jones, Capital Area
Transit.

CHAIRMAN MARKOSEK: Oh, yes. Bill. Thank
you. Okay.

MR. KILMER: I ' l l be the one speaking. My
name is David Kilmer, and I'm the Executive Director
of the Red Rose Transit Authority in Lancaster, and I
would like to talk about the 12 different public
transit systems that are in Districts 8 and 9.
Together we carry over nine million passengers per
year and employ well over 700 people. As with most
public transit systems, over 50 percent of our riders
are traveling to and from work with 70 percent of all
riders having no other means of transportation. Our
typical rider is a female between the ages of 18 to 35
with a family making less than \$35,000.

This is important because these are the
citizens that will be potentially harmed when service
reductions and fare increases become an annual event
due to the lack of funding. Whether it is Kim Sellen
in Johnstown who lost her license due to a disability
and rides the bus to work or Kendra Farrow in
Lancaster who bought a house along a bus route because
she does not drive, or David Reynolds in York who
cannot afford a car and depends on public transit to

get to work or Karen Nyland in Altoona who is 35 and disabled and rides the bus to college to earn a degree or Leona Barbato a senior citizen in Harrisburg who uses the bus to get to doctors appointments and grocery shopping, these people have no other alternatives of transportation if the service is eliminated.

Public transit has not seen an increase in operating funding for the last three years while fuel prices, health care, and pension costs continue to increase annually higher than the rate of inflation. The promises of Act 44 have gone unrealized and may now be remembered as the dismantling of public transit in Pennsylvania over the next five years.

We are now facing annual service reductions and fare increases which leads to lower revenues and lower ridership. Just last week, Red Rose Transit approved a seven percent fare increase and a five percent reduction in service beginning this August due to rising fuel prices, reductions in revenue due to lower ridership because of the high unemployment and the economy.

The critical thing to understand is once these people lose their jobs, they don't have any other choices and possibly many of them will go on

welfare. Our riders need a comprehensive solution to the State's transportation funding issues that is predictable, sustainable, and growing.

While we each have different budget issues, there's no escaping the fact that the current levels of service cannot be sustained at the percent level of state funding. It's clear that an operating shortfall statewide with the denial of the I-80 tolling, lower revenue from sales tax, which will most likely lead to reductions in our funding for this year let alone next year. And issues from the new census where urbanized areas that go over 200,000, we lose the ability to use our federal money for operating. That's a real issue in Pennsylvania with over 11 systems affected.

But it's not just an operating funding issue. The capital needs of transit go unfunded with a minimum estimated shortfall of at least \$484 million statewide, and that's why 2011 is included in the TAC report. It's well documented that we lag far behind in keeping older buses in operating condition well beyond their accepted useful life. And one of our biggest issues may be our ability to match federal funds. If we don't have state funding to match it, we will be returning federal funds, which we would not want to happen in Pennsylvania.

While we try to make every attempt to improve efficiency in lower operating costs, there's significant factors that just are simply out of our control. And some of them are of a direct result of inadequate funding for our highway system.

Traffic congestion causes us to add time to our bus routes, which is very inefficient and only adds to our cost without adding any revenue to it. We had to do that in Lancaster just last year by adding five minutes to every trip on a bus on the Route 501 corridor simply because we couldn't keep the bus running on time, and people rely on the schedules.

Another real issue that we constantly receive is requests for service, and right now our standard reply is, who do I take service away from to give you that? I'm summarizing this in hopes of keeping on time, but you know traffic congestion, air pollution, dependence on foreign oil, and quality of life, does Pennsylvania want more or less? The future for public transit in Pennsylvania is clearly going in the wrong direction if a funding solution is not found soon.

The moment of truth for us is listening to our passengers plead to us not to cut service, as they did in the hearing last week because they will lose

their jobs. We recognize that many legislatures would just tell us to make due with what we have, but then they must be willing to accept the consequence of inaction.

We appreciate your leadership on this issue and stand ready to assist you in finding a comprehensive funding solution.

CHAI^IAN MARKOSEK: Okay. Thank you. I have a question in general for all of you, I guess; but relative to the shared ride, you all operate your own shared ride or do farm it out or is it different?

MR. KILMER: It varies amongst us all. I contract it all out. Rose operates it directly, and Dennis does a little bit of both. Rich operates it directly, and CAT does some direct and I believe they contract out some too.

CHAI^IAN MARKOSEK: Okay. Yeah, I think there's a great disconnect I've always seen amongst the legislature and people in general in the public relative, you know, when we talk about transportation and mass transit. In many, many minds you know transportation is roads and bridges, and if they don't personally ride a bus, they forget about it or they think it's just in the urban areas or the suburban areas, but I'm quick to point out that all 67 counties

have service and the shared ride is a very important service particularly for the elderly as well as our handicapped friends as well.

MR. KILMER: Yes.

CHAIRMAN MARKOSEK: So I guess maybe making a statement more than a question because I wanted to get on the record transit is everywhere not just in urban areas, but maybe, I guess, I'll just ask a question. Any of you feel free to -- What percentage of your ridership is shared ride and, you know, maybe relate some of the hardships that may occur if some of that shared ride is not there.

MR. KILMER: Well, in my case, I can tell you that we carry about 323,000 on our shared ride service because we have a fully integrated service. We provide for about 20 different social service agencies as a brokerage, and it's about 20 percent of our total ridership, and many of these people are on fixed incomes, whether they be seniors or the disabled. They're trying to go to work. They're trying to go to workshops. They're trying to go to the senior centers, and each year we do have to raise their fares too, and it becomes a real hardship as a lot of these people are on fixed incomes.

CHAIRMAN MARKOSEK: How about the lottery

money? What's been the level of funding relative to that? Has that gone up, down, stayed the same?

MR. KILMER: It's been stable, the lottery.

CHAI^IAN MARKOSEK: Okay. Representative Geist.

CHAI^IAN GEIST: I think of all the things in transportation and in the General Assembly that's probably most misunderstood is mass transit. We have a republican member who is going to put a bill in in the special session to do away with all mass transit funding and put it all on the highways, and he has no clue, no clue what he has in his own district, and I don't know how to do this because we constantly are working on educating members of the General Assembly, but we have so many new members who are absolutely clueless, and they think that every transit thing in Pennsylvania is separate for some reason. And I know it takes a lot of time and energy to work with people that if you do anything, please start visiting our first, second, and third-term members. Especially a lot of the rural reps have got to start understanding what they have with regard to transit. They don't understand at all. They just don't -- they have not a clue about it. You know, they think school buses should be eliminated. You know, 15, 20-mile walks are

tough.

Dennis, you go.

MR. KILMER: The people who are sitting at this table obviously have a good relationship with their legislatures. It's obvious. We have a program in our state association, but we do need to educate those that aren't educated as Representative Markosek mentioned, there is a form of public transportation in all 67 counties of Pennsylvania, and a shared ride in Potter County is just as important as one is in Philadelphia.

As a matter of fact, the one in Potter County sometimes may be more important because the people are so isolated. The one comment I would conclude with is this: There are people who are elderly who are in rural areas or suburban areas who need shared ride to go to the doctor, who need shared ride to go for their groceries, in order to sustain in the house that they had for their whole life and paid their mortgage off. Without a transportation option to these people, they're going to have to be put into an institution, which is why do they deserve that? And secondly, the cost to the Commonwealth of Pennsylvania would be much higher than it is to provide for a good transportation situation.

And finally, as you well know, I do support a total comprehensive transportation solution for all motorists.

MS. LUCEY-NOLL: I would like to add in Cambria County we operate both an urban and rural system, and we have over 100,000 people who ride our rural system. That's last year's figures, and 97 percent of them are trying to live independent. They tell us they have no other way of getting around.

CHAI^IAN MARKOSEK: Thank you. Well said. Well put. And we're on your side. We just have to get this done. Thank you.

Okay. The Pennsylvania State Association of Township Supervisors, Bill Hawk is here. Elam Herr is here as well. Five minutes, gentlemen. You may proceed when you're ready.

CHAI^IAN MARKOSEK: Mr. Chair, thank you. My name is Bill Hawk, and I am the Chairman of the Board of Supervisors in Lower Paxton Township, Dauphin County, and also Assistant Secretary Treasurer for the Pennsylvania State Association of Township Supervisors. I also have the opportunity to sit on the Pennsylvania State Planning Board. Thank you for the opportunity to be here, and with me I think most all of you know Elam Herr, who is Assistant Executive

Director for our Association.

CHAIRMAN GEIST: And he does a good job.

MR. HAWK: Pardon?

CHAIRMAN GEIST: And he does a good job.

MR. HAWK: He does a good job, and I agree with that wholeheartedly. I have submitted our complete testimony, which does include specific projects in the District 8 and 9 area, but I would also like to take this opportunity to highlight the following as you deliberate on the transportation issues facing your committee.

Townships comprise 95 percent of the Commonwealth's land area and are home to more than 5.4 million Pennsylvanians. The need for increased dedicated transportation funding for local roads and bridges is of primary importance to all townships. PSATS believes that the Commonwealth must maintain a predictable, reliable, and dedicated method of funding for the total system, including state and local roads, bridges, and mass transit.

In addition, we believe the local governments are partners with the Commonwealth in constructing and maintaining a self and efficient transportation system.

Pennsylvania has more than 117,000 road

miles with 66 percent, and I think that's an extremely impressive figure or actually 77,325 miles maintained by the local government. The funding provided by Pennsylvania's local governments -- Pennsylvania's local governments to maintain these roads, and more than 6,400 municipal bridges over more than 20 feet is just simply inadequate.

According to DCAD, municipalities spent \$1.27 billion on highways and streets in 2008 only to receive 332 million from the liquid fuels tax, and 2008 marked the liquid fuels allocation, which has steadily dropped due to decreased fuel consumption and increased vehicle efficiencies to a total of 307 million in 2010.

Purchasing power of local government has also declined steeply as costs have sky rocketed forcing municipalities to make some difficult choices such as placing road projects for required public safety on hold or to raise tax.

The May 2010 TAC report documents the 80 percent rise in the composite mid price index since 2003 due to increases in the price of products, et cetera for the construction of highways and bridges, which does include asphalt, steel, and diesel fuel. Salt prices have also risen significantly over the

last three years.

In conjunction with the price increases, a recent court decision has made the paving process unaffordable for many governments. In 2008, the State Supreme Court ruled in the Borough of Youngwood that virtually all paving projects fall under the provisions of the Pennsylvania Prevailing Wage Act. As a result, some municipalities resorted in oil and chip to extend the life of local roads and return paved surfaces to dirt roads.

PSATS believes that the Commonwealth must maintain a predictable and reliable funding mechanism for state and local roads. As such, PSATS supports a blend of revenue enhancements including realignment, realigning the cap on the oil franchise tax, tying Pennsylvania's registration fee structured to the consumer price index, adjusting a gas tax and increased use of public-private partnership to fund the state and local highway and for the systems. We urge that any and all solutions include the following components. At least 20 percent local share depositing all proceeds into a restricted use account and maintaining any tax or fees to the consumer price index.

The May 2010 TAC study recommends the local

government receive an additional 250 million annually for road maintenance as well as 182 million to implement the state-wide program for the 14,000 traffic signals owned by government.

We have attached information needed about needed projects in PennDOT Districts 8 and 9 as well as municipal efforts. In fact, 83 percent of townships are currently involved in at least one intergovernmental initiative. There are several actions that the General Assembly could take that would significantly decrease the cost of maintaining their transportation infrastructure. These actions would include provide relief from the Prevailing Wage Act by revising the Act's criteria to return to historical exemption, require PennDOT to increase the maximum amount for road bonding, increase the required advertising and bidding amounts from 10,000 to 25,000 with an annual cost of living increase and require PennDOT to maintain all storms drainage facilities on the state highways.

So in closing, let me just simply say that mass transit needs to be carefully examined and acted upon now. The Association can support a blend of transportation rather than enhancements to urge all solutions. That ends with a 20 percent local share in

restricted use account and tying any tax fees to the consumer price index. Unless we take some action soon, you know, we really are going to continue to be in a crisis situation.

Thank you for your time, and if there's any questions, I'm sure if I can't answer them, then Elam can.

CHAI^IAN MARKOSEK: Yeah, thank you, Bill. Just a real quick comment. Elam has been around our office quite a bit, and the one thing that I've learned since I've been Chairman is how forgotten in many ways our local uses of transportation - I don't want to say forgotten, but don't always get perhaps the priority that they should. And if we do anything this year, the local government, that has to be part of it .

MR. HAWK: And I think that's one of the things that we try to do with PSATS is to make sure that, you know, we are really true participants in what you do at the state level. So we thank you for being here this afternoon. Thank you.

CHAI^IAN MARKOSEK: Okay. Associated Pennsylvania Constructors APC, Bob Latham, and with him is Gary Hoffman from the Pennsylvania Pavement and Asphalt Association. Gentlemen, a total of five

minutes. Mr. Latham.

MR. LATHAM: Good afternoon, Mr. Chairman. I'll get started right away. I feel sort of like a third string at Beaver Stadium with the game well in hand but only the diehard fans are still there. But I appreciate the diehards and all your attention to this.

You've heard a lot today. I'm going to talk very briefly about conventional wisdom as it relates to this issue. Conventional wisdom might tell us that we need to wait for Washington to act and see what they're going to do with preauthorization before we do anything. I think you heard earlier today about where things are going in Washington and preauthorization. Also you asked the engineers how their Hill visits went in Harrisburg. I can tell you we were in Washington earlier this week, and if you want to talk about depressing meetings, inaction, and finger-pointing, that's about what we saw, and really no hope for anything in Washington.

The other conventional wisdom is that the stimulus program has solved the issue. The 780-billion-dollar program that was sold as an infrastructure package, five percent went to infrastructure, and I dare say having testified before

the committee -- the commission, that it's the only program we can see what was done with the stimulus money, but it was a one-time deal, and it will be finished this year.

You can solve the problems cost savings. The Secretary laid out \$500 million in cost savings, we have a 3.5-billion-dollar program. We're not going to solve this with waste, fraud, and abuse.

And finally, you can't do it because it's an election year. I think that the people are looking for jobs creation, and jobs are going to be the issue. This is a natural. We have a study that shows that if you do a comprehensive program here, 50,000 jobs will be created most not in the construction sector through all the aspects of the economy. Think about reducing the unemployment in Pennsylvania by ten percent, what that would do even for the general fund issue. So we think that it's really possible to get something done this year.

We've had two major reports here in Pennsylvania, Pennsylvania Economy Link Study, two national commissions. We think we've studied it enough, and we certainly appreciate your leadership here. Gary.

MR. HOFFMAN: Mr. Chairmen and

Representative Carroll, thanks for the opportunity to come before you today. I've submitted written testimony. I'll just make a couple brief comments on that testimony. I'm Gary Hoffman, the Executive Director of the Pennsylvania Asphalt Pavement Association. The Association is a nonprofit trade association represented by 130 companies across the state that pretty much make hot-mix asphalt, pave with hot-mix asphalt, make equipment from hot-mix asphalt, paving would provide the hot-mix asphalt.

Our member companies combined employ over 10,000 employees, workers that are both union and nonunion across the state. Our asphalt mix producers have almost 200 plant locations across the state with at least one in every county except for a handful of counties.

Asphalt paver preservation and rehabilitation takes place all over the state. Only 117,000 miles of state and local roads that we already talked about earlier today. Good quality smooth pavements are important to Pennsylvanians. They are important because they are safe, vital to our quality of life, reduce vehicle and operating maintenance costs, and are necessary to stir economic competitiveness and vitality.

A recent survey of Pennsylvania motorists indicates that safety and congestion are the two most important highway issues. According to a report released last year by the Pacific Institute of Research and Evaluation, PIRE, road conditions contributed to more than half of the 42,000 motorists that were killed and nearly 40 percent of the nonfatal injuries that occurred in motor vehicle crashes in the nation in 2006.

That same report ranked Pennsylvania fourth highest in the nation with the comprehensive costs of crashes in 2006 of more than \$10 billion where road conditions contributed to the frequency and severity of vehicle crashes, and smoothness matters a lot. Full scale fuel studies by the Federal Highway Administration at the west track pavement track in Nebraska showed that trucks running on a slightly smoother pavement had 4.5 percent reduced fuel consumption, and at today's prices, an average driver could save about \$150 per year with that reduced cost.

Additionally, we all know that rough roads impact the vehicles themselves and the repairs of those vehicles whether they be alignment or the struts or whatever, and that same report Rough Roads Ahead, indicates that Pennsylvanians spend \$346 on average a

year on wear and tear on rough roads.

So in summary, Mr. Chairman, because of the nature of our industry, the men and women in Pennsylvania can be put to work all over the state on infrastructure improvement projects when they are awarded. These are good-paying, rewarding jobs that cannot be shipped overseas. A survey of our membership noted that there's nearly one to one correlation between percent increase and decrease and program funding and the percent change in the work force, jobs saved and jobs created.

We have the capacity and capability to build high-quality pavements that will benefit Pennsylvanians right now and into the future. For all of the above reasons, the Association strongly supports a comprehensive funding solution, a solution that addresses the needs of all transportation modes, a solution that is predictable and sustainable long term.

CHAI^IAN MARKOSEK: Okay. Thank you, gentlemen. Representative Mike Carroll.

REPRESENTATIVE CARROLL: Not a question, just a comment maybe directed to the Chairs for our staffs. I'm amazed that there hasn't been a single person in the four hours plus that sat at any of those

tables and said not to do anything, and maybe there are people out there that shared that view, but I'm amazed that no one has come forward and said that everything is fine. And as we embark on our statewide tour, maybe we could make more concerted effort to see if there is anybody willing to sit at a microphone and say that everything is fine.

CHAIRMAN MARKOSEK: Thank you. Rick.

CHAIRMAN GEIST: I want to thank you very much, and I hope when we get done with all this that we have a capacity problem in your plants.

MR. HOFFMAN: Right now we do.

CHAIRMAN MARKOSEK: All right. Thank you, gentlemen. We appreciate it.

Okay. The American Concrete Pavement Association, Mr. John Becker. John.

MR. BECKER: Mr. Majority Chairman, Mr. Minority Chairman, and Representative Carroll, my name is John Becker, and I am the president of the Pennsylvania Chapter of the American Concrete Pavement Association. I represent concrete paving and concrete repair contractors, cement manufacturing and other material suppliers, equipment manufacturers, and engineering firms that have a vested interest in the health of the concrete paving industry in the

Commonwealth.

The concrete paving industry played an instrumental role in the construction and completion of the interstate system in Pennsylvania. These roads, which are the backbone of our transportation network and our economy, were constructed mostly with concrete. According to the Federal Highway Administration, 17 percent of our high-type roadways remain as concrete-surfaced pavements, and according to PennDOT, approximately 25 percent of these concrete-surfaced pavements, which were designed to provide 20 years of service to the traveling public, are over 30 years old. Concrete pavements are still carrying the load for an additional 61 percent of our high-type facilities that have been resurfaced over the years.

Unfortunately, many factors in recent years have transpired to shrink the concrete paving market to a point where our industry is in serious trouble. These factors include low overall funding levels for transportation, a much-needed priority on bridge work, a lower priority on large paving and capacity improvement projects with long service lives, an emphasis on network ride quality and much less so on asset management, policies that generally do not allow

consideration of concrete alternatives to milling and resurfacing, and as we heard a little bit earlier this morning, the continued perception that we have had concrete on Interstate 80.

One billion dollars in stimulus funds that could have been used for longer-term improvements to our highway network and would have helped our industry have mainly been used for bridge work and short-term fixes and have generally had very little impact on the concrete paving industry.

Our combined concrete and cement industries employ almost 39,000 people across the Commonwealth. That's almost the size of State College. These industries and the equipment manufacturers, the steel industry, and numerous others that provide materials and services for concrete paving in Pennsylvania, have been badly affected by these factors and the current economic crisis. Many of these companies have been forced to lay off significant portions of their work force, and without immediate action, the Commonwealth risks the loss of the concrete paving industry, which will result in a loss of competition for pavement construction, an increased dependence on asphalt pavements, and higher prices that are associated generally with less competition.

Our industry continues to advocate, and we do advocate for the need for long-term investment strategies for our highway infrastructure. We also understand, rightly so, that the public demands accountability. Along these lines, alternate bidding has been used on a very limited basis, and there is still much work to be done so that full advantage can be taken by PennDOT of this proven method of cost savings on construction projects.

We believe that Life Cycle Cost Analyses, which is an integral part of this bidding process, should use real data and real cycle times, and that the LCCA inputs and outputs be posted on-line so that more of the pavement decision-making process is transparent, and that all can be assured that highway investments are used most efficiently.

Now these savings aren't plurable, but they don't solve the transportation funding problem. The concrete paving industry supports a long-term comprehensive solution to the transportation funding crisis by closing the 3.5-billion-dollar gap as is being advocated by highway construction industry, the Keystone Coalition, and many other folks that spoke here today.

We will actively support any funding

mechanisms that will facilitate dollars being invested in long-term paving and long-term infrastructure solutions.

I thank you for your time, and I would be happy to answer any questions.

CHAI^IAN MARKOSEK: Thank you very much. Good job. Right on time. Thanks, John.

MR. BECKER: All right. Thank you.

CHAIRMAN MARKOSEK: Stephanie Wissman, Director of Government Affairs, Pennsylvania Chamber of Business and Industry. Chamber of Commerce.

MS. CATARINO WISSMAN: My name is Stephanie Catarino Wissman. I am Director of Government Affairs for the Pennsylvania Chamber of Business and Industry based here in Harrisburg. We appreciate the opportunity to provide testimony regarding the Commonwealth's transportation funding needs.

The Pennsylvania Chamber of Business and Industry is the largest broad-based business advocacy association in the state, representing thousands of businesses of all sizes and across all industry sectors, comprising nearly 50 percent of the private work force. We recognize that having a modern, safe, and efficient transportation system is necessary for the free flow of commerce and the mobility of

residents of and visitors to the Commonwealth.

Providing adequate funding for transportation is an essential function of government, and failing to properly address the Commonwealth's aging infrastructure will have significant economic and quality-of-life implications.

Managing congestion on over 41,000 miles of roadways that are maintained by the Commonwealth is essential to the safety of its citizens and a vital part of the efficient distribution of products and services. The Pennsylvania Chamber acknowledges that roads are not the only answer to Pennsylvania's transportation challenges. A comprehensive solution will employ multiple modes of transportation in the most effective configuration including roads, freight and passenger rail, air, transit, and water.

The Pennsylvania Chamber also recognizes that it is time for a new vision for transportation policy. There is a need to change the conversation when addressing the needs of Pennsylvania's aging transportation infrastructure. Policymakers need to effectively communicate the connection between transportation infrastructure, economic growth, and maintenance of our quality of life. Prudence and necessity dictate that Pennsylvania consider a variety

of possibilities for funding transportation needs.

Pennsylvania Chamber member companies support a number of funding options including a reasonable increase in the Motor Fuels tax, which represents a true user fee and would provide a dedicated funding source for infrastructure projects. Due to increased federal fuel efficiency requirements, revenues from the tax have declined from needed levels. Other concepts favored by the Pennsylvania Chamber include public-private partnerships, the tolling of newly-created highways and strategic borrowing.

One funding option being entertained by the Governor that does not have Pennsylvania Chamber backing is his proposed oil company gross profits tax. This is the second attempt by the administration to enact such a tax. The Pennsylvania Chamber opposes singling out individual industries for taxation, which in this case would include small businesses that deliver home heating oil.

The Pennsylvania Chamber recognizes that lawmakers do face no small task in finding viable funding sources for Pennsylvania's transportation system at a time when the Commonwealth faces so many other significant fiscal challenges. The Pennsylvania

Chamber is prepared to work with elected officials to find common ground among the many ideas that have been put forth in order to ensure a reliable and efficient transportation system.

Again, thank you for allowing the Pennsylvania Chamber the opportunity to testify on behalf of its members.

CHAI^IAN MARKOSEK: Okay. Thank you, Stephanie. Representative Mike Carroll.

REPRESENTATIVE CARROLL: Thank you, Mr. Chairman. It's not often that someone from the Chamber advocates for a reasonable increase in the motor fuels tax.

Can you define for me what a reasonable increase would be?

MS. CATARINO WISSMAN: Well, that's a great question, Representative, and I'm going to answer you honestly. I don't know what a reasonable number is. I think we need to see the numbers to see concrete numbers here what we're talking about, what is the funding level. Let's break it down and see what it equates to in regard to a gas tax increase, then we can talk what's reasonable.

REPRESENTATIVE CARROLL: Okay. Thank you.

CHAI^IAN MARKOSEK: Okay. Stephanie, thank

you.

MS. CATARINO WISSMAN: Thank you.

CHAIRMAN MARKOSEK: Greater Pennsylvania Regional Council of Carpenters, Vince Weaver. Mr. Weaver.

MR. WEAVER: Good afternoon to the panel, and also thank you for the opportunity to speak on behalf of my organization and voice how the lack of funding was an actual detriment to our organization as well as all our members livelihood. We have been very dedicated for well over a hundred years in training personnel to work on our infrastructure, me being a representative for heavy highway division, we are just totally in tune with everything, and our transit, if you ever visit any of them, you can see how serious we are.

Whenever we have a law like this where we can't keep our people busy, we seem to find other avenues namingly in our apprenticeship program, let's face it, we all know that this generation isn't pounding on our doors to go out and do this type of work, so we put forth a lot of effort going to schools as early as ninth grade and letting these folks know there's an alternative to college, and we get them in our ranks and they get a couple of years in our

apprenticeship program, and works dries up and these people have to eat and they branch off into other avenues, and some of them leaving with a bad taste in their mouth to do this type of work. You hear it all the time. Who's going to build these roads and bridges when we're gone? So it is a very huge detriment to us. You know, we have a long activity and a lack of funding keeping our folks focused in our industry.

CHAIRMAN MARKOSEK: Thank you.

Representative Geist.

CHAIRMAN GEIST: Thank you very much. I have a question for you. I hope that for all the hearings that we're holding that we can have the trades really appear. Most of the guys that we serve with has no idea of the interest that the trades have in construction.

MR. WEAVER: Exactly.

CHAIRMAN GEIST: You guys do it and the Laborers International they do a pretty good job, but a lot of the other ones talk amongst themselves. They preach well to the choir.

MR. WEAVER: That's exactly right.

CHAIRMAN GEIST: But we don't hear it in the General Assembly. I will tell you that I don't

know what the number is now, but it used to be for the carpenters, over 50 percent of their union hall work was job sites for construction. Is that still the same?

MR. WEAVER: That's still the same. That's still the same.

CHAIRMAN GEIST: And as we have talked about before, if we can come up with an adequate long-term funding, we're going to empty your union halls.

MR. WEAVER: That would be a good problem for us, that's for sure.

CHAIRMAN GEIST: But our problem is that Mike Carroll knows that, Joe knows that, and I know it; but we serve with an awful lot of other people who have no clue. And there's a lot of guys in your business who live in rural Pennsylvania and drive to the job sites.

MR. WEAVER: The majority.

CHAIRMAN GEIST: That's right.

MR. WEAVER: With the exception of Allegheny County.

CHAIRMAN GEIST: Right. And they've got to be able to talk to their representatives about what this really means to the trades and labor. I don't

know how many are involved now. There used to be 14 different crafts involved in highway building, and I don't know whether that's changed.

MR. WEAVER: It has made some changes. It has made some changes. It has made some changes.

CHAIRMAN GEIST: So we certainly appreciate you being here. I'm sure Jack will give you his credit card and say go do it.

MR. WEAVER: I'm sure he would. I'm sure he would. But anyway, I want to thank you very much for the time.

CHAI^IAN MARKOSEK: Thank you, Vince. Next the Pennsylvania State Association of Boroughs. Mr. Ed Arnold, Millersville Borough Manager. Welcome, sir.

MR. ARNOLD: Good afternoon. I want to thank the Transportation Committee for the time to testify on behalf of the boroughs. While I am the manager for Millersville Borough, I also am the Lancaster County Boroughs' Association President representing the 18 boroughs in Lancaster County as well.

You heard earlier some testimony from the Township Association, and I did want to reiterate a few of the things that they mentioned, which affect

the Boroughs in the same fashion, and that has to do with the liquid fuels tax funding methodology and the fact that the rising costs of maintaining roadway has really not went up in that transfer of funding from the State.

The other issue has to do with storm water, and I believe I presented testimony like ten years now on an issue having to do with the state acknowledging storm water removal from their state roads, and I find myself in that same situation again, not in this particular hearing, but in a storm water situation with a state road that is going to cause our particular borough to undergo tens of thousands of dollars to correct a storm water situation.

Nevertheless, I do have a write-up here that I would like to read to you all in regards to the boroughs.

With Act 44 behind us, again in Pennsylvania we have a budgetary crisis developing over an obligation to meet Pennsylvania infrastructure demands and the associated debt and maintenance expenditures. As we are all aware, Pennsylvania has one of the most elaborate road systems in the country. Besides the normal wear and tear of traffic volumes, we have the added problem of the freezing and thawing

conditions of our local climate.

Financial sources of meeting these deteriorating road conditions, must be continuous and systematic. Oil prices for construction repairs exacerbate the ability to fund the road programs and more recently a determination was made affecting our local liquid fuels fund expenses that any resurfacing of roads was not considered maintenance, causing all road bid jobs over \$25,000 to be subject to Prevailing Wage Act.

These increased costs have reduced funds available for road projects. Underfunding by the state for the liquid fuels tax municipalities has caused our local road network to depreciate further. This condition, coupled with the deficiencies that exist in the state's roadway network include bridge systems that are, you know, failed inspection status, need revenue for traffic safety and improved mobility. Enhancements to traffic flow will increase local business development. Road system users will pay for adequate traffic services through reasonably increased gasoline taxes and license costs.

Flat tax calculations, that is those based on cents per gallon, used for revenue do not offset inflationary costs. Per cent taxation, that is, for

example, 30 percent a gallon needs to be added to provide continuous increasing revenue streams to offset inflationary costs.

As vehicles increase their miles per gallon, less gas is purchased exacerbating the loss of annual revenues for highway projects. Mileage needs to be a factor in increased tax revenue considerations. Imposing oil company franchise tax increases promote alternative fuels and preserve resources acknowledging the greening of America. We need to act now to preserve to upgrade the road system for future generations and do the best we can to guarantee safe passage. Thank you.

CHAIRMAN MARKOSEK: Thank you, s i r . We appreciate your testimony. Thank you very much.

MR. ARNOLD: You're welcome.

CHAIRMAN MARKOSEK: Okay. Mr. Ed Wilson, 10,000 Friends of Pennsylvania. I didn't want to say last. So first in our hearts. How's that? Thank you for waiting and your patience, and we appreciate your testimony.

MR. WILSON: Well, thank you very much, Mr. Chairman, Chairman Geist, and Representative Carroll. Since I am bringing up the bitter end here, I don't think anybody will be too disappointed if I

keep my remarks brief.

10,000 friends is an organization dedicated to improving all Pennsylvania communities, including cities, towns and rural areas. We support a comprehensive solution to our current transportation funding crisis that includes funding to fix our crumbling roads and bridges, as well as full funding for public transportation enough to bring our aging transit infrastructure up to a state of good repair, as well as to make some carefully-selected strategic investments in system expansion.

We are very interested in adequate funding for roads and bridges and all of those, but for our purposes I would like to focus my remarks on transit.

We all know how important transit services are to residents of Philadelphia, Pittsburgh, and their suburbs; but they're also important to those of us here in south central Pennsylvania. It's true that most of us in this region don't use public transportation on a regular basis, but the law separates services provided by agencies like Capital Area Transit, Rabbit Transit, Red Rose Transit are curtailed.

Many of our employers depend on public transportation to get their employees to and from

work. Our retailers depend on transit to get shoppers, as well as workers, out to suburban malls from more urban locations. And consider our hospitals and medical centers that need dependable transit services to meet the mobility needs of the many volunteer and lower-wage workers who play important roles in the health care sector.

Pennsylvania has a larger proportion of senior citizens than any other state except Florida. Seniors, as we've heard, along with younger people with disabilities that prevent them from driving, need transit and shared-ride services to help them stay productive, keep working, and avoid becoming prisoners in their own homes. Pennsylvanians understand how important transit is to seniors and people with disabilities.

We recently did a poll of Pennsylvania voters and found that the following statement was considered a convincing argument in support of transit funding by 84 percent of them. Quote, we need to keep our train and bus services available and affordable especially for seniors, the disabled, and workers who rely on it to get to and from their jobs.

On a more personal note, I regularly take the Keystone line train from Lancaster County to

Harrisburg, so I know firsthand what public transportation means to our region, and I'm amazed at the growing popularity of train travel in the area despite less than ideal service.

Even on cold-winter mornings, scores of commuters wait at what passes for a train station at Mount Joy, waiting in all kinds of weather for a train that may or may not come on time. And we're willing to do this because the train, when it runs, is vastly more pleasant than the drive to Harrisburg with its inevitable traffic snarls and expensive parking.

So just imagine how much more popular rail travel will become when the trains are faster and more reliable and when the planned station improvements at places like Mount Joy and Elizabethtown make waiting for the train a less grueling experience. And also imagine what a boost improved train service will be to places like Lancaster, Mount Joy, Elizabethtown, Middletown, and Harrisburg. Better train service will raise property values and spur redevelopment by making these places of choice for people who want easy access to jobs in Harrisburg, Philadelphia, and the main line.

Even those of us who don't live along the line and don't take the train will benefit since

better train service will mean fewer cars on the road and less traffic.

So in tough economic times, we all understand the need to cut spending, but that doesn't mean stop investing, and there are some investments we simply can't afford not to make, and adequate funding for transportation infrastructure is one of them. Thanks very much.

CHAI^IAN MARKOSEK: Okay. Thank you. Wow, that's a -- Rick, did you have a comment?

CHAI^IAN GEIST: Yeah. I just wanted to thank you very much for doing this. I can't ever remember 10,000 Friends testifying like this before. I think it's great. Thank you so much for your testimony.

MR. WILSON: I appreciate it. I appreciate the opportunity.

CHAIRMAN GEIST: It's a good organization. I enjoyed your rewards ceremony.

MR. WILSON: Well, thanks for coming.

CHAI^IAN MARKOSEK: Well, thank you, sir. Thank you, and just a couple of things. I would like to thank certainly Representative Carroll and Representative Geist and all the members that attended today as well as everybody else.

A couple - just one housekeeping thing.
We have our next hearing Tuesday, June 3rd at 2 p.m.
at the Lock Haven University Price Performance Center
in Lock Haven, PA. And lastly, I would just like to
thank the staff for all their efforts on all the
committees that were involved, and also again, last
but not least, the Derry Township folks for the use of
their fine facility here.

With that, thank you. Meeting adjourned.

(The hearing concluded at 2:38 p.m.)

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REPORTER'S CERTIFICATE

I HEREBY CERTIFY that I was present upon the hearing of the above-entitled matter and there reported stenographically the proceedings had and the testimony produced; and I further certify that the foregoing is a true and correct copy of my said stenographic notes.

In testimony whereof, I have hereunto subscribed my hand this 21st day of June 2010.