

Testimony of

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To

House Transportation Committee

Chairman, Joseph F. Markosek
Minority Chairman, Rick Geist

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On

Improving Pennsylvania's Transportation System

Good morning. My name is Paul Berg and I am the director of operations for Con-way Freight in Pennsylvania, based in King of Prussia.

Chairman Markosek and Chairman Geist, on behalf of my colleagues at Con-way Freight, thank you and your Committee for the opportunity to share our views on improving Pennsylvania's transportation system.

I'd like to start with a brief overview of Con-way Freight, who and what we are. Con-way Freight is a less-than-truckload motor carrier with more than 27 years of service to the Pennsylvania business community. We operate 14 service centers in the state providing jobs for 1,236 Pennsylvanians. As a trucking company, we maintain a fleet of 455 tractors and 1,400 trailers in Pennsylvania, and each day, service more than 6,500 Pennsylvania businesses. On an annual basis, our trucks log more than 53.5 million miles on the state's roads and highways, handling over 934 million pounds of freight. We pay in excess of \$4.8 million in highway related taxes, fees and tolls in Pennsylvania each year.

On a nationwide basis, Con-way Freight operates more than 300 service centers throughout North America, employs over 21,000 people and maintains a fleet of 8,700 tractors and 25,000 freight trailers.

There is no question that the Commonwealth of Pennsylvania requires a safe and well maintained highway infrastructure in order for the state and its citizens to prosper and grow. Funding improvements to our infrastructure and providing the resources to ensure proper maintenance of our roads and highways is a critical issue that requires immediate action.

Transportation is the lifeblood of commerce in our state and our nation, and our system of roads and highways are the arteries that allow that lifeblood to flow effectively. I would like to make a couple of points regarding this critical issue and the needs we face as a Commonwealth:

First, it is imperative that we develop and deploy fair, balanced and sustainable funding sources for our roads and bridges. Our citizens enjoy an excellent standard of living in no small part due to the excellent systems of roads and highways that allow the efficient and effective movement of people and commerce throughout the state.

Second, we must understand that we cannot decouple economic growth and vitality from an effective transportation systems and efficient trucking services. In Pennsylvania, like many states in which Con-way Freight operates, we would agree that our system of bridges and roads is in many instances handling traffic volumes well beyond original design capacity, is wearing out, and is not receiving the level of maintenance and repair investment necessary to ensure safe and efficient use. We are well aware of the disrepair of our infrastructure and we like all travelers of our public highway systems face an aging

system that in many cases is crumbling and knotted with delays. Those delays cost the trucking industry – and consumers -- millions of dollars a year, as well as wasted fuel, excessive carbon emissions, and lost productivity from wasted hours sitting in traffic congestion.

Third, the lack of appropriate funding mechanisms will only exacerbate these problems, and the longer they go unresolved, the more difficult, expensive and time-dependant will be the solutions. Con-way Freight serves every community in the state, virtually all of which rely on trucking as the only option for commercial freight service. If 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 place a tremendous burden on operations. They also increase fuel consumption and carbon emissions, and inhibit the ability to provide consistent timely service.

This problem will not go away, and without sweeping and effective action by this body, will only worsen. Many studies predict that congestion will continue to increase, as will the costs and lost productivity associated with slower average speeds on our highways. Those costs are passed on to businesses. System wide safety issues would not be addressed; more lives could be lost on Pennsylvania highways each year.

Lastly, Con-way commends the Governor for calling a joint session of the House and Senate to discuss this important issue. The recently released Transportation Funding Study says that more than \$3 billion annually in highway and transit needs is currently

unfunded. As a major user of our roads and highways, Con-way is willing to pay our fair share. We would support increased fuel, highway or license taxes for highway infrastructure improvement as long as the funds collected are used entirely for this purpose and are not diverted to other uses. We also would support use of tolls to recoup the cost of new highways, but not tolling of existing highways. Lastly, we would encourage the state to explore public-private partnerships as a funding mechanism for new capacity, as long as such arrangements protect the public from the franchisee having a monopoly, and free alternatives remain.

In closing, we must create and support long-term strategies to ensure sustainable funding for our transportation infrastructure. It is a responsibility in which all Pennsylvanians can and should have a role.

Thank you again for the opportunity to address this meeting. We look forward to helping our state's legislative leaders craft reasonable highway funding solutions that are fair and impartial for all the Commonwealth's citizens.