

PENNSYLVANIA HOUSE OF REPRESENTATIVES
TRANSPORTATION COMMITTEE HEARING

CLARION UNIVERSITY
HART CHAPEL AUDITORIUM
850 WOOD STREET
CLARION, PA

DATE: June 17, 2010

REPORTER: Evelyn S. Perry
Court & Deposition Reporter

1 COMMITTEE MEMBERS PRESENT:

2

3 Representative Joseph Markosek, Chairman

4 Representative Richard Geist, Co-Chairman

5 Representative John Payne

6 Representative Jeff Pyle

7 Representative Mike Carroll

8 Representative Donna Oberlander

9 Representative Scott Hutchison

10 Representative Bradley Roae

11 Representative Kathy Rapp

12 Representative John Hornaman

13 Representative Paul Costa

14 Representative Mark Longietti

15 Representative Joseph Petrarca

16 Representative Mike Sturla

17 Representative Jerry Stern

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2:38 o'clock, p.m.

To start off this afternoon, I'd like to call on our Post Legislator, Donna Oberlander, to lead us in the Pledge of Allegiance.

(Pledge of Allegiance recited)

First of all, to my far right, Representative John Payne from Dauphin County; Representative Jeff Pyle from Armstrong County; Representative Mike Carroll from Luzerne County; to my immediate left is Co-Chairman Rich Geist from Blair County; and of course, Donna Oberlander from right here in Clarion County; Representative Mark Longietti from Mercer County; Representative Joe Petrarca from Westmoreland County; Representative Scott Hutchinson from Venango County; Representative Kathy Rapp from Warren County; Representative Brad Roae from Crawford County;

1 Representative John Hornaman from Erie County; and I know
2 Representative Paul Costa from Allegheny County is here.
3 Did I miss anybody? Is anybody else here? (no response)
4 I expect that folks will be coming in as we move along
5 because some of them have to leave a little bit earlier.

6 Before we start the initial hearing, I'd just like
7 to point out that this is in conjunction with the policy
8 committees of both Chambers or I should say of both
9 caucuses in the Pennsylvania House of Representatives
10 along with the Transportation Committee, and the idea is
11 as we all know with the calling of the special session on
12 Transportation that Rick and I decided to take the
13 Committee around kind of a barnstorming trip if you will
14 throughout Pennsylvania 7 regions of the Commonwealth to
15 not only educate our own members in some cases but the
16 public as to the major, major, vast problem that we have
17 with transportation funding in Pennsylvania, and we're
18 happy to be here today representing the northwest section
19 of the Commonwealth in Clarion and I know I've been here a
20 couple of times in the past and starting to feel like a
21 native, and they've always treated me very well here and
22 I'm very glad to be back again. I'm glad we could get the
23 Committee together.

24 With that, I'd like to offer Representative Rick
25 Geist for a few comments, please.

1 REPRESENTATIVE GEIST: Thank you very much, Joe,
2 and thank you for everyone who has come out to testify
3 today. We have one more of these left tomorrow in
4 Pittsburgh in Joe's District and I can't praise him enough
5 for the work that his staff and our staff have put into
6 making these happen.

7 The information that has come out State wide
8 clearly shows the enormity of the distressed bridge
9 problem and the miles and miles of Pennsylvania highways
10 that must be rebuilt and reclaimed, and we've had great
11 testimony and I'm looking forward to learning alot more
12 today.

13 Thank you.

14 REPRESENTATIVE MARKOSEK: Okay, thank you, Rick.
15 Also before we get started, I'd like a big thank you to
16 the folks here at Clarion University for the use of this
17 wonderful facility and all of their great hospitality, and
18 I'd like to thank as Rick mentioned the staff that have
19 been so hard working at this and also PCN and other
20 Republican video folks are here as well, so I want to
21 thank all of them for helping us get the word out here
22 today.

23 With that, I'd like to start, and by the way, we
24 have a time limit for each speaker. We don't have a time
25 limit for the members, at least not an official one, and

1 we'd certainly ask the members to use their best judgment
2 relative to that, but we have a time limit for the folks
3 who are speaking, and in some cases, we have several
4 people who will all come up and testify, but there will be
5 one and they'll have a 5-minute time limit, for example,
6 for the group, and generally, it means one spokesperson.

7 We do have technology here that monitors time and
8 I'll use that phrase. I don't want to sound too harsh
9 here, but a green light appears as you're speaking, and
10 when you have one minute left, a yellow indicates to sum
11 up your talk, and a red light flashes, so with the little
12 buzzer when time is up and everybody in the audience can
13 yell and scream and throw things when a person's time is
14 up and they go over, but no, we haven't been that quite
15 obnoxious about it, but certainly, with the cooperation of
16 everybody here, if you can try to watch the time because
17 in many cases, there will be followup questions.

18 With that, the first group is the Pennsylvania
19 Public Transportation Association, and Mr. Tim Geibel, who
20 is the Executive Director of the Crawford Area
21 Transportation Authority, Mr. Mike Imbrogno, Chief
22 Executive Officer, Area Transportation Authority of North
23 Central PA (ATA), Mr. John Kanyan, Executive Director,
24 Indiana County Transit Authority, and Mr. Dennis Solensky,
25 General Manager, Erie Metropolitan Transit Authority.

1 Gentlemen, it's about 5 minutes for the group.
2 Which one will be the spokesperson?

3 MR. GEIBEL: I will be.

4 REPRESENTATIVE MARKOSEK: And you are?

5 MR. GEIBEL: Tim Geibel.

6 REPRESENTATIVE MARKOSEK: Okay, thanks, Mr.
7 Geibel, and our stenographer today is Evelyn, so make sure
8 if somebody speaks, you need to identify yourself for her,
9 so with that, Mr. Geibel, you have 5 minutes and you may
10 commence when you're ready.

11 Representative Pyle just reminded me that it's very
12 warm in here, so any members that want to remove their
13 outer garments may do so. We don't necessarily need to
14 follow house rules here today, so you be the judge of
15 that. Mr. Geibel?

16 MR. GEIBEL: Thank you very much for hearing us
17 today and I also want to recognize Tom Tulip from Mercer
18 County who is also here in the audience representing
19 Transit.

20 We recognize that there's an immense challenge that
21 Pennsylvania faces in the midst of what is truly a
22 transportation funding crisis. What we're here to do
23 today is to help you understand better what public
24 transportation means for rural Pennsylvania.

25 Public transportation is provided in all 67

1 counties of the Commonwealth, and within our region here
2 alone, we do over five million trips a year and over
3 800,000 of those trips are for seniors and for persons
4 with disabilities on our Shared Ride Program. Many
5 seniors and persons with disabilities in rural
6 Pennsylvania only receive transportation options one to
7 three days each week, but this is truly a vital service.
8 It's the difference between getting to a doctor's
9 appointment or getting a hot meal.

10 Now the State of Pennsylvania has not seen a
11 funding increase for public transportation in over 3
12 years, and just within the last 2 weeks, we were all
13 notified by PennDOT that our current year grants were
14 being cut by 3.7 per cent, so we're actually receiving
15 less operating funding now than we did 3 years ago.

16 Without an adequate inflation sensitive funding
17 that is called for in the TAC report and Act 44, we're all
18 facing major, major service reductions.

19 I wanted to take just a quick minute and tell you a
20 few stories about some of our passengers and put a face on
21 what transit means.

22 In Titusville, Donna Winger is a 72-year old cancer
23 survivor. She uses a powered scooter and an oxygen tank.
24 She relies on CATA to and from the doctor. Without our
25 services, she would be forced to ride her powered scooter

1 across town to get to her doctor's appointment.

2 And there's also the story of Sergeant Michael
3 Avery of Indiana. He's a disabled veteran of Operation
4 Iraqi Freedom. He served this country very proudly and
5 continues to do so in the National Guard. He cannot get
6 to work if it's not for the bus service in Indiana County.

7 Every small town in this region, whether it's
8 Albion, Clarion, Kittanning or Smicksburg, they all have
9 public transportation options, but this is only half the
10 story.

11 The other half is our capital needs, and the TAC
12 report indicated that in 2011, there will be \$484,000,000
13 to fund that capital need across the State for transit.
14 What this means is that we are spending more money off our
15 operating systems to replace our vehicles and to maintain
16 our vehicles.

17 In Indiana County, John Kanyan, he operates on a
18 daily basis 4 vehicles that were purchased in 1999 with an
19 8-year life span, so those vehicles should have been
20 replaced in 2007, but there is no capital funding to do
21 so, so we're spending more of our operating assistance to
22 maintain fleets that should have been replaced.

23 And finally, before I turn it over to Dennis
24 Solensky, I just want to mention that in our region alone,
25 public transportation works with over one thousand

1 Pennsylvania businesses from buying tires, from buying
2 maintenance supplies to janitorial services, and ATA
3 alone, they invest over 4 million dollars in the local
4 communities just to help run their operations, and with
5 that, I'm going to defer the remainder of my time to
6 Dennis Solensky.

7 MR. SOLENSKY: Hi, again, my name is Dennis
8 Solensky and I'm Executive Director of the Erie
9 Metropolitan Transit Authority in Erie, Pennsylvania.
10 I've been asked to speak to you briefly on behalf of our
11 region and northwestern Pennsylvania relative to urban
12 transit in our region.

13 Currently, the Erie system provides 3.3 million
14 rides and employs 249 employees, operates 136 vehicles of
15 which 45 have reached their useful life and are in need of
16 replacement.

17 Briefly, to those of you who have not yet had a
18 visit to Erie recently, you should know that Erie has its
19 own zoo, it has indoor/outdoor water parks, it has 5
20 colleges and universities that we service, it has its own
21 casino, and it has Bust Out Bay with 3 million visitors a
22 year. It is a very vibrant, stand alone city within the
23 Commonwealth.

24 And I guess what I'd like to impress upon you today
25 is how important the Erie Transit Authority is to

1 economic, the economic development obviously going on in
2 our region, and how important it is, the growing booster
3 and tourism business.

4 Erie is blessed for the City of its size to have
5 alot of amenities that this side and across the country
6 don't have, and that makes our Transit Authority that much
7 more valuable to the region that we serve.

8 We may be smaller than Pittsburgh and we may be
9 smaller than Philadelphia, but we offer all these same
10 amenities of our own. We have our own downtown. We have
11 our own Playhouse. We have our own orchestra. We have
12 all the cultural amenities that the City provides as well
13 and the Transit Authority assists all of them, so I guess
14 my reminder is that alot of the smaller cities in the
15 Commonwealth have the same problems as the larger ones.

16 Thank you.

17 REPRESENTATIVE MARKOSEK: Okay, great, right on
18 time, questions from the panel members? Any of the
19 representatives have questions?

20 REPRESENTATIVE GEIST: I do.

21 REPRESENTATIVE MARKOSEK: Chairman Geist?

22 REPRESENTATIVE GEIST: One of the things that
23 we've been hearing in Crawford County, how many of your
24 Shared Ride trips are to the hospital?

25 MR. GEIBEL: Approximately, we do approximately

1 40,000 Shared Ride trips a year in Crawford County, and to
2 the hospital for what we call medical appointments, we
3 would say 65 per cent of those are trips for that.

4 REPRESENTATIVE GEIST: That's 65 per cent?

5 MR. GEIBEL: Correct, with the rest being trips to
6 local senior centers or persons with disabilities having
7 work transportation.

8 REPRESENTATIVE GEIST: And how many agencies across
9 the county provide ride services?

10 MR. GEIBEL: We are the only public transportation.

11 REPRESENTATIVE GEIST: What about nursing homes?

12 MR. GEIBEL: There are various nursing homes that
13 may have their own vehicle. I know Westbury and Living
14 Home that has their own transportation. I would say there
15 are probably three that I know of that have their own
16 private vehicle to transport their residents.

17 REPRESENTATIVE GEIST: So basically, if the service
18 is cut, those people are all trapped?

19 MR. GEIBEL: Correct.

20 REPRESENTATIVE GEIST: Thank you.

21 REPRESENTATIVE PYLE: Representative Jeff Pyle,
22 you had mentioned vehicle replacement, fleet replacement.
23 Is there any discussion thus far of utilizing CNG power
24 units possibly?

25 MR. IMBROGNO: Yes, CNG has been used -- I'm Mike

1 Imbrogno and I'm the General Manager of the Area
2 Transportation Authority.

3 We purchased our first fleet of CNG busses in
4 1990. We used them until very recently when the size of
5 bus that we used no longer was produced in the United
6 States. We are confined by the Buy America provisions,
7 and therefore, we're locked out of procuring CNG vehicles
8 at this point. Quite frankly, we would purchase them if
9 they were available. We found them to be very reliable,
10 economical, and acceptable as far as the public was
11 concerned.

12 REPRESENTATIVE PYLE: Maybe we can talk later, but
13 my question is with this great glut of Marcellus gas and
14 everyone looking for ways to unload what is already in the
15 pipeline so we can develop more -- (inaudible as four
16 persons are talking at once)

17 MR. SOLENSKY: We operate CNB buses in Erie and we
18 found them to be reliable as well, and in the last
19 quarter, the cost of compressed natural gas was very
20 attractive relative to the diesel vehicles we operate so
21 all new technology is the direction we're trying to move
22 in.

23 REPRESENTATIVE PYLE: Thank you. Mr. Chairman, if
24 I could make a request. I think it would behoove this
25 Committee to have the knowledge of what the operating cost

1 for a regular diesel bus is, which is a dirtier bus, if
2 you must know, versus a CNG powered bus. Let's make these
3 resources more effective.

4 REPRESENTATIVE MARKOSEK: Thank you, I think we can
5 get that information.

6 Next, Representative Brad Roae.

7 REPRESENTATIVE ROAE: Thank you, Mr. Chairman.
8 Good afternoon, gentlemen.

9 The State spends about a billion dollars a year on
10 mass transit funding, and it's something like 87 per cent
11 of it, of the funding for all the mass transit systems are
12 Federal and State money, and something like 13 per cent is
13 local money.

14 With that being said, alot of mass transit systems,
15 they charge a dollar to get on a bus or two dollars. I'm
16 more familiar with CATA, but what is the rate for a fixed
17 route service?

18 MR. SOLENSKY: A regular fare is \$1.10.

19 REPRESENTATIVE ROAE: There's alot of low income
20 people that live in rural areas that don't have bus
21 service that ride their own private vehicles to and from
22 work, and they spend several dollars a day on gasoline and
23 maintain vehicles.

24 Has there been a look at increasing the bus fair to
25 make it more comparable to what other low income people

1 would pay who don't have bus service? If people paid \$2
2 or \$3 to ride the bus, it would be more comparable to what
3 other people with the same income made that don't have bus
4 service, and that way the State wouldn't have to spend a
5 billion dollars a year in bus service and it might only be
6 500 million, and we'd have that other 500 million to fix
7 bridges with.

8 Has there been any consideration of having
9 customers pay for more of the actual charge of what it
10 actually costs to operate the buses?

11 MR. SOLENSKY: Fare prices are something that's
12 considered daily in our industry and certainly our Transit
13 Authority as well. We are always giving our fare rates
14 consideration.

15 There's always a dichotomy that exists in charging
16 fares relative to those individuals who can't afford to
17 pay a fare themselves or are low income.

18 A significant portion of the service that we
19 provide is to those individuals who can't provide
20 transportation for themselves, and equitable, fair rates
21 for those individuals that are able to provide their own
22 services versus those who don't have it sometimes are
23 difficult to achieve, so oftentimes, we don't raise fares
24 because we don't want certain individuals to fall through
25 the cracks, so there's a combination of considerations out

1 there regarding that.

2 We in Erie achieve a very high return relative to
3 overall cost in terms of revenue and it's something we've
4 been very conscious of. Not only do the people pay fares
5 who ride the bus, but we've created alot of relationships
6 with agencies in the community that pay on behalf of those
7 riders.

8 We have financial relationships with the colleges
9 and universities, school systems, and other folks in the
10 community, social service agencies, who pay on their
11 behalf, and that tends to keep folks from being harmed who
12 are riding the bus, so we achieve in multiple ways not
13 just the amount that somebody drops in the bus when they
14 get on, but also having other folks in the community pay
15 on people's behalf.

16 Needless to say, we subsidize the cost of the
17 service, but it limits the need for those agencies to
18 provide service for their own, which they'd have to do,
19 and that's one of the reasons we've been a successful,
20 ongoing service in Erie as we have particularly in the
21 last 5 years.

22 REPRESENTATIVE ROAE: Okay, thank you.

23 REPRESENTATIVE MARKOSEK: Representative
24 Hutchison?

25 REPRESENTATIVE HUTCHISON: My question is sort of a

1 followup to what you were just saying.

2 Do the casinos pay to help get their patrons to
3 your facilities?

4 MR. SOLENSKY: Limitedly. We provide very little
5 transportation service for patrons. The majority of our
6 service is only to employees, particularly low income and
7 disabled individuals working at the casino. We offer
8 limited service to the casino for people who are going to
9 patronize the casino to gamble.

10 REPRESENTATIVE HUTCHISON: How do you limit it to
11 just employees?

12 MR. SOLENSKY: The only route we run comes from the
13 downtown and goes straight out, and the casino is located
14 in the outskirts of the community. All of our routes
15 don't go there. The only route that goes there is the one
16 that goes directly from the downtown, which is where the
17 majority of the low income employees that find employment
18 there are able to ride.

19 REPRESENTATIVE MARKOSEK: Representative Hornaman?

20 REPRESENTATIVE HORNAMAN: The trolleys that run,
21 they are run completely free of the public, is that
22 correct?

23 MR. SOLENSKY: Yes, there is no fare charge at the
24 box, but we have many of the downtown patrons in the
25 community subsidizing the cost of the route to keep the

1 fare free, and the convention center authority pays us the
2 -- the Port Authority pays us as well as several other
3 groups who utilize the system. They capture money through
4 the visitors who come to patronize their organization.

5 For instance, the convention center and hotel that
6 is located on the Bay Front isn't large enough to house
7 all the people at the convention center and will have to
8 use hotels throughout the community, so they subsidize the
9 cost of running the trolleys so that they can compete with
10 other convention centers across the country to have
11 better, higher numbers of hotel space there, so our
12 ability to keep the fare down in the downtown area for
13 economic development purposes is based on our ability to
14 achieve subsidies from other groups in the community.
15 We're being paid indirectly for that as well.

16 We've offered many service expansions in the last
17 5 to 7 years in Erie at a very low cost by partnering with
18 these organizations and pulling our resources, but I do
19 want to be clear that that only takes you so far.

20 We're very dependent on Act 44 and we're very
21 dependent on having it fixed, a subsidy that increases,
22 you know, regularly with the cost of living, so while
23 we've been very successful in maintaining a stable and low
24 fare because of all the moneys we've been able to achieve
25 with these agreements, we still rely on subsidies from the

1 State heavily to augment that.

2 REPRESENTATIVE HORNAMAN: So under the given
3 economic situation that we have, if we weren't able to
4 meet the expectations under Act 44, have you considered in
5 the future a possible scenario where you would have to
6 actually charge the public for the trolley rides?

7 MR. SOLENSKY: Yes, we certainly have. As a
8 matter of fact, I met within the last two weeks
9 representatives of PennDOT, representatives of the Parking
10 Authority, and we're always trying to balance the cost of
11 parking versus the cost of transit in the downtown area
12 and we've done studies relative to that specific issue.

13 The cost of transit defers people one way or the
14 other from specific parking areas as does the cost of
15 parking, and so these things -- you know, it's kind of
16 like a Rubik's Cube to be frank, and these things are
17 interrelated.

18 You know, our goal from a congestion factor is to
19 get people to utilize transit in order to reduce the
20 burden on downtown parking, the parking decks, and space
21 used for parking that is, you know, one level parking
22 lots, and so the attractive cost of the fare considers
23 alot of those issues and not just the operating cost of
24 the system.

25 REPRESENTATIVE HUTCHISON: Thank you.

1 REPRESENTATIVE MARKOSEK: Representative Kathy
2 Rapp?

3 REPRESENTATIVE RAPP: Thank you, Mr. Chairman, and
4 thank you, gentlemen, for your testimony here today.

5 I heard one of you say that 87 per cent of your
6 funds come from Federal and State, and so at the local
7 level, can you give me an actual dollar amount of what
8 you're spending at the local level?

9 MR. IMBROGNO: You mean collectively?

10 REPRESENTATIVE RAPP: I'll just ask Erie.

11 MR. SOLENSKY: You want to know what our total
12 budget is?

13 REPRESENTATIVE RAPP: Right.

14 MR. SOLENSKY: Between the two systems, it's
15 approximately 20 million and operating and then capital
16 purchases and buses and things along that line would be
17 additional to that.

18 REPRESENTATIVE RAPP: And I've been to Erie many
19 times being from Warren County, and Erie certainly has
20 alot of tourism attractions and I'm sure you have alot of
21 people visiting Erie on a daily basis and the fantastic
22 casinos, but I've never been there, but certainly, I've
23 been down to Waldemere and other places.

24 I am amazed though that the -- and I think you do a
25 wonderful job with the senior citizens and people with

1 disabilities. I know in Warren County, many of those
2 folks can receive a ride, you know, a special ride for an
3 appointment, you know, and the bus will actually go and
4 pick you up at the door.

5 I want to echo what Representative Roae said about
6 a \$1.10, and when I compare that -- and I don't know what
7 the fare is in Warren County -- but I have some concerns
8 because I know that when we're looking at transportation,
9 it's always easy to say, you know, just raise the price
10 and put a higher tax at the pump, and I know that my
11 people who have to drive to work every day purchase a car,
12 purchase a registration, license, tires, maintain their
13 vehicle to go to and from employment, and I'm sure they're
14 paying way more than \$1.10 a day.

15 I do appreciate the service and I think in most
16 cases, they're provided a very needed service for our
17 seniors and people with disabilities.

18 Thank you very much.

19 MR. SOLENSKY: Just in response one last time if I
20 may to the fare question.

21 Remember that in transit across the country that
22 every minimal change in fare rate has a very significant
23 drop in transit use, and it's surprising when you
24 actually, you know, look at the numbers in detail, and to
25 increase fares only moderately will result in a

1 significant loss in transit ridership, which will result
2 then in a significant increase in people driving, which
3 will result then in a significant increase in traffic
4 congestion and the need to build and pave more roads.

5 Certain areas of Erie County like the Bay Front
6 Highway, which is only a two-lane road, absolutely
7 couldn't withstand anymore traffic pressure on it than it
8 currently has, and so not only -- you know, if we're
9 trying to move people from their cars to transit, and they
10 have a choice, one of the considerations in transit fares
11 has to do with paying one way or the other, and so by
12 considerably driving up the transit fare, we will
13 dramatically drop transit use, which will have an adverse
14 effect on other areas like transportation network.

15 REPRESENTATIVE RAPP: And if I may, when we raise
16 the price at the pump, people are still going to have to
17 drive to get to and from work, so they're not going to
18 give up their car just because the gasoline goes up 10
19 more cents and they're going to pay that 10 more cents.

20 MR. SOLENSKY: You know, I spent 18 years doing
21 this. For 17 years or 16 years, the newspapers called me
22 everytime gas went up a quarter and said, have you seen
23 any raise in transit ridership, and my answer was always
24 very minimally because people are so, you know, hooked on
25 riding in their car that that really often doesn't affect

1 our ridership, but over the last two years for the first
2 time, I'm seeing gas prices get to such a meaningful level
3 for people that they're actually choosing to ride the bus
4 instead of driving their car.

5 When gas went from \$1.00 to \$1.50 early in my
6 career, the newspaper called and asked me, how did that
7 affect our buses, and I told them, very little. It went
8 from \$2.00 to \$2.50, they called me, and I told them, very
9 little.

10 When it went from \$2.00 to \$4.50, you can't believe
11 the spike in ridership that we saw on the buses, so
12 there's a threshold for people to utilize buses more
13 frequently, and we really have reached that threshold.

14 We're reaching the point where gas prices and
15 parking prices comparatively are driving up people's
16 desire to ride, and our ridership coupled with all the
17 improvements we've made in Erie increased in the last five
18 years.

19 In the event that that continues, an increased
20 transit fare is a very strong possibility. In the event
21 that that doesn't continue, driving up the transit fare
22 would only push people back away from transit and back in
23 their cars and then present another problem for us.

24 MR. GEIBEL: If I could make one additional
25 comment on the issue of transit fares, there are two

1 fundamental programs in Pennsylvania: One is the fixed
2 route service and our shared ride services. A prime
3 example here is if you're a senior citizen, you get to
4 ride the fixed route service for free from the lottery,
5 but if you're a senior citizen and you want to use the
6 door-to-door service, you pay anywhere -- in Crawford
7 County if you live in Springboro and the closest doctor's
8 office is in Meadville, which is over 20 miles away, that
9 senior is going to pay over \$7 round trip for a
10 door-to-door trip to the doctor's appointment.

11 So the fare discussion is on two levels: There's
12 the fixed route fares and there's another shared ride
13 program, which all of our counties here represented fares
14 for senior citizens and persons with disabilities on their
15 program would be anywhere between \$2 and \$10 per trip.

16 MR. SOLENSKY: And our fare is represented the
17 same way. Our transit fare is much higher than our fixed
18 route share as well.

19 REPRESENTATIVE RAPP: Thank you, Mr. Chairman.

20 CHAIRMAN MARKOSEK: Okay. The Chair would like to
21 recognize Representative Jerry Stern from Blair County,
22 who has arrived, Jerry, welcome, and Representative Jeff
23 Pyle had a followup question.

24 REPRESENTATIVE PYLE: You described about fare
25 increases, and I'm aware of the corresponding sliding

1 scale between increased ridership and lower fares versus
2 higher fares and losing ridership, but how often do you
3 find at least in Erie or Crawford or whatever -- whoever
4 wants to answer it -- how often do you adjust your fare
5 upward to adjust for maintenance, labor contracts, fuel
6 costs? What's typical is my question?

7 MR. GEIBEL: I can answer that question because
8 half of our services on the door-to-door, which is the
9 shared ride service, that service is funded by the lottery
10 like 85 per cent of the trip cost.

11 Now all of us here today that provide shared ride
12 services, the reimbursement that we get from lottery in
13 addition to the Medical Assistance payments and what the
14 passengers pay don't even begin to cover the cost of the
15 program.

16 REPRESENTATIVE PYLE: Slip and shared ride, which I
17 know is kind of a whole different story within the mass
18 transit scenario, a big bus, a standard bus line crosstown
19 in Erie.

20 MR. SOLENSKY: We review it annually, raise the
21 fair infrequently.

22 REPRESENTATIVE PYLE: When is the last time that
23 happened?

24 MR. SOLENSKY: We had a 30-year ridership loss in
25 Erie from 1970s to my arrival 9 years ago. We went from

1 7.8 million riders on the Erie Transit Authority to 2.8
2 million riders. We lost ridership at a 3 per cent clip
3 for a 30-year period.

4 Our goal in the 9 years that I've been there has
5 been to recapture lost ridership and drove the Authority
6 in concert with our partnership with PennDOT, and so I
7 think our fare structure in Erie is probably not
8 consistent with what you'd seen in the rest of the State
9 given the circumstances in Erie over that 30-year period.

10 REPRESENTATIVE PYLE: I think you'd find, and I'm
11 sorry to interrupt you, but there are alot of transit
12 systems that are very reticent to raise their fares. I've
13 gotten into knock-down-drag-out fights with a number of
14 them about what do you mean, you haven't raised fares for
15 9 years? You know, you come to the State and you want
16 more money, more money, more money, and what are you doing
17 to help yourself?

18 The question is to adjust for inflation, carrying
19 costs, fuel maintenance, labor contracts, how often is
20 reasonable to look at raising local shared fares?

21 MR. SOLENSKY: Not to evade your question, it's
22 reasonable to look at raising fares every year relative to
23 the budget, and your fare structure should be a constant
24 consideration.

25 To stand before you and say how frequently you

1 should raise fares on average with an economic situation
2 as it is, you know, would involve me predicting the
3 economic downturns or changes in the economy and the
4 manufacturing base in Erie and all the considerations that
5 go into that, and in a perfect world, you know, you might
6 raise fares every year by 2 1/2 per cent, which is the
7 cost of living adjustment, and if ridership increases the
8 whole time and people are utilizing the system and they're
9 happy with it and there are -- more people are
10 matriculating using buses and not using cars and
11 congestion isn't a problem and parking rates are going up
12 accordingly, you know, in a perfect world, that's
13 reasonable from a business perspective. That's very
14 reasonable.

15 All the counter balances, again, the Rubik's Cube
16 effect, and your astute questions relative to, you know,
17 fuel usages and whether we want people riding transit
18 instead of driving their cars because we're using CNG
19 vehicles and they're no longer using fossil fuels, all
20 those type of things should be consideration in the fare
21 equation, and I'm truly not trying to evade your question.

22 In a perfect world with 2 to 3 per cent increase in
23 the fare adjustment would be reasonable from a business
24 perspective.

25 REPRESENTATIVE PYLE: Annually?

1 MR. SOLENSKY: Annually, but in our world, with
2 all these other considerations, that's not reasonable
3 whatsoever. It's certainly not in Erie and I guess I'm
4 not capable of speaking on behalf of the country.

5 I would tell you that Erie, Pennsylvania, that
6 would drive ridership into the ground and create
7 tremendous problems for the folks you're going to hear
8 from an hour after I'm done, the folks repairing bridges
9 and roads and doing things downtown.

10 If Erie were to raise fares at that level, we would
11 need just beaucoups of money to improve roads in the
12 downtown road access, and the Bay Front Highway would need
13 multiple additional new lanes, and I could go on and on
14 relative to land use and the routes to the universities
15 and the whole 9 yards.

16 REPRESENTATIVE MARKOSEK: Representative Payne?

17 REPRESENTATIVE PAYNE: Thank you, Mr. Chairman.
18 You're entitled to two words to answer me back, and I
19 swear that you must have run for public office on a
20 15-minute response without answering the question.

21 What year was the last year you raised your fare?
22 Give me the year.

23 MR. SOLENSKY: I believe it's been 8 years on the
24 fixed bus route.

25 REPRESENTATIVE PAYNE: Eight years. I can

1 guarantee you that it hasn't been 8 years that public
2 transit hasn't come into the State and asked for more
3 money.

4 How many times -- and just a number -- in the last
5 20 years have you raised your fares?

6 MR. SOLENSKY: I can't answer that.

7 REPRESENTATIVE PAYNE: Thank you, Mr. Chairman.

8 REPRESENTATIVE MARKOSEK: Gentlemen, thank you very
9 much. I appreciate it very much.

10 REPRESENTATIVE RAPP: Mr. Chairman, I just want to
11 make a statement to let everybody know that natural gas is
12 a fossil fuel.

13 REPRESENTATIVE MARKOSEK: Thank you. Mr. Dennis
14 Hameister, Board Member of the Pennsylvania State
15 Association of Township Supervisors, PSATS, and I see that
16 Dave Senko is with him today.

17 Gentlemen, whenever you're ready. Mr. Hameister,
18 you'll be the spokesman and you may proceed when you're
19 ready, sir, and you need to speak into at least one of the
20 microphones there. Five minutes, sir.

21 MR. HAMEISTER: Chairman Markosek and members of
22 the House Transportation Committee and the House
23 Democratic and Republican Policy Committees, good
24 afternoon. My name is Dennis Hameister and I am a
25 Township Supervisor in Harris Township, Centre County, and

1 an executive board member for the Pennsylvania State
2 Association.

3 Thank you for the opportunity to be with you.
4 With me is David Senko, Executive Director of our
5 Association.

6 The Association believes that local roads, State
7 highways, and mass transit comprise a single
8 transportation network for the Commonwealth's traveling
9 public. Pennsylvania has 117,000 total miles of roads and
10 two-thirds of these are owned by local government. It
11 also maintains more than 6400 local bridges over 20 feet.

12 These local roads and bridges are a vital link in
13 our transportation network and provide children with safe
14 transportation to school, workers with reliable access to
15 jobs, patients with transportation to doctors, and farmers
16 with a means to move food to consumers across the State
17 and country. As such, the Association believes that local
18 government is an essential partner with the State in
19 maintaining our transportation system.

20 Local governments are responsible for the
21 maintenance and operation of traffic signals on State
22 roads but cannot receive any funding for this
23 responsibility. The Transportation Advisory Committee's
24 recent recommendation for \$182 million annually to
25 implement a Statewide modernization and operation program

1 would help us with this expense. However, we do not
2 believe that it would cover the cost of maintenance and
3 electricity.

4 The maintenance of drainage structures on State
5 highways has been a point of contention with
6 municipalities for some time. Instead of accepting
7 responsibility for permitted structures in its
8 right-of-way, PennDOT has attempted to hold the
9 municipalities responsible for these structures.

10 The Association maintains that PennDOT should be
11 responsible for these facilities. The cost to replace
12 storm water drainage pipes and inlets in one busy highway
13 located in five Centre County municipalities is estimated
14 at \$15 million and the State wide estimate to do that is
15 \$250 million.

16 In 2008, municipalities in District 1 spent \$77.5
17 million on local roads and bridges, yet only received
18 \$21.5 million in liquid fuel funds. District 1 has 555
19 local bridges of which 44 per cent are currently posted
20 with a weight limit.

21 Of all local bridges in District 1, 16 per cent are
22 posted at 10 tons or less and another 5.5 per cent are
23 currently closed. Many of the municipalities in District
24 1 are located in the snow belt and some are facing major
25 impacts from drilling in the Marcellus Shale region.

1 Franklin Township, Erie County, has an annual road
2 budget of \$350,000. The Township needs to replace a plate
3 arch crosspipe that will cost \$100,000. Other crosspipes
4 in the Township need to be replaced, and they will cost
5 \$70,000. In addition, the Township must spend \$120,000
6 graveling its roads this year just to maintain the current
7 thickness.

8 Finally, the Township needs to replace a worn-out
9 berm mower, backhoe, and truck with a combined value of
10 \$180,000.

11 In 2008, municipalities in District 10 spent \$54.5
12 million on local roads and bridges, yet only received
13 \$17.5 million in liquid fuel funds. Also, District 10 has
14 432 local bridges of which 50 per cent are currently
15 posted.

16 Farmington Township, Clarion County, has been
17 significantly impacted by the lack of transportation
18 funding. Farmington has nearly 56 miles of roads and its
19 budget tightens every year. Because of the reduction in
20 funds, the Township has had to end its paving program for
21 a couple years now.

22 Additional examples of transportation needs in
23 District 1 are included in the printed copy of this
24 testimony.

25 The Association believes the local roads, State

1 highways, and mass transit comprise a single
2 transportation system and that the Commonwealth must
3 maintain a predictable and reliable method for this
4 funding.

5 PSATS has gone on record supporting a gas tax,
6 realigning the cap on the oil franchise tax, tying
7 Pennsylvania's registration fee to the consumer price
8 index and the use of public private partnerships.

9 We believe that the General Assembly should also
10 take action to reduce the number of State mandates that
11 increase the cost of maintaining transportation
12 infrastructure.

13 In closing, the time for action, to take action is
14 now and PSATS supports local government, adequate funding
15 for its growth.

16 I have a white paper from the Centre Region Council
17 of Governments that expands on the Stormwater Policy, and
18 that was distributed to the Committee.

19 Thank you for this opportunity to testify before
20 the Committee today and I will attempt to answer questions
21 if you have any.

22 REPRESENTATIVE MARKOSEK: Thank you. Any
23 questions, ladies and gentlemen?

24 (No response)

25 REPRESENTATIVE MARKOSEK: I don't see any so thank

1 you very much.

2 MR. HAMEISTER: Thank you, sir.

3 REPRESENTATIVE MARKOSEK: Next is the Association
4 Pennsylvania Constructors, and we have Bob Latham, Mr.
5 Michael Palo, who will also be up here with him, and Todd
6 Arnold with Glenn O. Hawbaker is here.

7 MR. LATHAM: Mr. Chairman, my name is Bob Latham
8 and I represent an organization that represents highway
9 construction companies. We try to get our work done on
10 time and under budget, and so in the interest of fair play
11 here, we're going to accelerate our construction schedule
12 and get you back on track because that's what we do.

13 You have my written testimony and I'm going to hit
14 some of the highlights and then I'm going to hopefully
15 reserve most of our time for the gentlemen who are with me
16 who are actually in the business and can talk to some real
17 world experiences.

18 We're also part of the Keystone Funding Coalition,
19 and that's a rather broad-based coalition, some of whom
20 you would think are not very much interested in
21 transportation, but we have members such as the AAA, AARP,
22 the Hospital Association, and others who are very much
23 dependent on transportation. We work very closely with
24 the public transit industry, so we are a broad-based
25 group, and we've looked at the need, we've looked at the

1 TAC, Transportation Advisory Committee report or the TAC
2 report, and their recommendations, and we endorse them.

3 One of the things that we would like to get on the
4 table in Pennsylvania is that we have a situation where
5 because of not investing on a timely basis, we have a \$3.5
6 billion shortfall. We're not talking about backing and
7 filling in the money from Act 44 as a result of a loss of
8 tolls.

9 If you were to do that, we have a study that was
10 commissioned by the American Road and Transportation
11 Builders Economics Department that would show that if we
12 increased funding to that extent, we would increase
13 employment in the Commonwealth by 50,000 jobs or reduce
14 unemployment in the Commonwealth by 10 per cent and that
15 is one of the benefits that you would see as a result of
16 that kind of an investment, and the thing that is
17 interesting about that study is first of all, it's the
18 first time one that's been Pennsylvania specific, and
19 secondly, nearly 60 per cent of those jobs are not in
20 our industry.

21 They're across the board in an economic spectrum
22 anywhere from health care, manufacturing, to retail
23 because all of those things are driven as a result of
24 having a good transportation system.

25 We have some statistics that talk about what we

1 would hear in Clarion County alone that are involved in
2 that report, and we would have a very positive impact on
3 this county and this region as well, so we urge you to
4 consider some of the downstream economic benefits of
5 investing in transportation capital construction.

6 Thank you for your time.

7 MR. PALO: My name is Michael Palo. I'm the CEO of
8 Francis J. Palo in Clarion, a local highway and bridge
9 constructor, and the employer of about 200 local craftsmen
10 and women. I am here to voice my total support for the
11 positions of the transportation construction industries
12 and the Keystone Transportation Funding Coalition that
13 Bob mentioned and the construction program they're
14 proposing.

15 I am also here as the employer of 200 local
16 craftsmen. I'm here to tell you about these hard-working
17 people, mortgage paying, car and truck buying neighbors of
18 ours that you see every day going to work.

19 There's 50 Palo pick-ups, more than 50, on the
20 roads right now, and we're in 6 different PennDOT
21 districts, 28 counties of western and central
22 Pennsylvania, with an annual payroll of over \$10 million
23 that we're putting to local Pennsylvania citizens, money
24 that stays here.

25 Add expenditure of another \$20 million per year to

1 the local economy for purchases of concrete, steel rebar,
2 which means more people stay working.

3 By the way, those pick-ups were bought at Seidle's
4 and the trucks are bought at Hunter's or Zacherl or Shaw
5 Mack. We buy equipment from Cleveland Brothers, Anderson,
6 and Highway Equipment, and these are all local companies
7 that have local salesmen, local mechanics, and local
8 people here supplying local employment.

9 We buy over a million dollars of fuel from Saterly
10 in Punxsutawney, from Shortway Filter in Reynoldsville,
11 and we buy gasoline for those pick-ups at QuikFill here in
12 Pennsylvania or we buy from Sheetz, a local employer.

13 We purchase concrete from Glenn, J & J, DuBrook,
14 and Marion Center, other contract suppliers in western and
15 central Pennsylvania. We keep the money that's been spent
16 here in Pennsylvania, a million pounds of rebar fabricated
17 and furnished from Franklin, Pennsylvania, at Titusville
18 Fabricators.

19 We have 25 to 30 local owner/operator truck drivers
20 who are working every day on a Palo job somewhere, local
21 people, local economies, fixing their trucks, keeping
22 themselves employed, buying the fuel for their trucks for
23 this company, and they're keeping local people employed
24 doing that.

25 There is a tremendous need for highway, bridge, and

1 transit repairs in Pennsylvania, and there are many
2 tremendously capable construction teams to put that work
3 in place right now. We have the people.

4 People build these projects, construction people.
5 Teams of construction people build projects better because
6 they work together, and they work more efficiently, more
7 safely, and they will produce a higher quality project at
8 reduced costs.

9 Experienced teams work even better. It takes a
10 long time to put experienced construction crews together,
11 and once construction crews are put together, the savings
12 that they bring back to the Commonwealth all reflect in
13 our next bid.

14 Our cost on the last job gets better. It gets
15 competitively bid on the next project, and all of our work
16 is competitively bid, so the Commonwealth reaps the
17 benefits of experienced teams, putting work in place, and
18 it's better than it would if these teams weren't in
19 place.

20 These teams take a long time to build, and if
21 they're taken apart, it's going to be a long time until
22 they're put together. These people are reliable, proud of
23 their work, dedicated, productive, and willing to travel
24 to the next project site.

25 They're also a very trusting group of people,

1 willing to base their entire yearly income on the PennDOT
2 construction program, which is typically only 8 or 9
3 months of the year. They don't know yet where they'll be
4 working, how long the project may last or how far they may
5 travel, but they will work, and I guarantee you that
6 they're sitting by the phone in the spring, waiting for
7 that phone call.

8 It will be a very sad day in Pennsylvania for
9 thousands of good people and skilled construction teams
10 when that phone call doesn't come. This will trickle down
11 to the people that work directly for us and all the
12 ancillary and subsidiary people that keep employed through
13 the construction programs now.

14 Without a continuity of transportation funding,
15 these efficient, experienced teams will dissolve and move
16 to another industry. Currently, the construction industry
17 has been adding to its work force from those unemployed
18 from other closed businesses.

19 From the business owner's standpoint, it is
20 difficult to justify and maintain an expensive, current
21 fleet without the prospect of a long-term, continuous
22 investment into our transportation systems.

23 Pennsylvania has the needs and we have the skilled
24 craftsmen, construction people, to do that right now.

25 Increased funding is critically needed for the

1 repairs to Pennsylvania's aging transportation systems,
2 urban and rural, and to delay taking action would be
3 disruptive to thousands of local families and actually
4 defies logic from a fiduciary standpoint.

5 There is real value when looking at today's
6 replacement costs versus future replacement cost, which
7 accelerates and progressively increases that building the
8 projects at today's costs is very justified and more
9 economical.

10 Pennsylvania needs a dedicated, inflation adjusted
11 funding stream for transportation that will reduce the
12 number of deficient bridges, failing highways and transit
13 systems, a continuous funding stream that will allow
14 projects to reduce congestion and to get you home safely
15 and with less travel time.

16 That is the message that the construction people
17 who build the transportation projects that we wish to
18 convey, and we thank you for that opportunity.

19 MR. ARNOLD: My name is Todd Arnold with Glenn O.
20 Hawbaker and I represent a heavy construction company
21 that has almost 1300 employees employed across the State
22 of Pennsylvania, and just to summarize my thoughts and
23 make it concise, I believe that it's all about the
24 economy.

25 The key purpose in my opinion of government is to

1 facilitate an environment in which business can prosper
2 and grow. The infrastructure facilities that companies
3 like Glenn O. Hawbaker and Palo build are key elements in
4 promoting a good business environment and ultimately
5 flourishing economy.

6 The significant reduction that we're facing in
7 transportation funding with the end of stimulus money, the
8 end of Act 44 money, is not consistent with promoting a
9 vibrant economy in the State of Pennsylvania.

10 Thank you.

11 REPRESENTATIVE MARKOSEK: Thank you very much,
12 Todd, and I couldn't have summed it up better. It's all
13 about the economy.

14 Any questions . . . Representative Oberlander?

15 REPRESENTATIVE OBERLANDER: Thank you, Mr.
16 Chairman, and this is specifically for Mr. Latham.

17 In your earlier testimony, you mentioned that the
18 Transportation Advisory Council and the KTFC vision of a
19 21st century offer some suggestions nearly doubling the
20 expenditure of the transportation.

21 Did they look at any specific funding sources for
22 that funding?

23 MR. LATHAM: Yes, and I think there are a number of
24 ways that you can go with that.

25 First of all, you have the oil company franchise

1 tax, which was established in 1981. There is a cap on the
2 oil company franchise tax currently at \$1.25 per gallon,
3 and obviously, the cost of fuel is much higher than that
4 if you look at lifting that cap and in an inflationary
5 measure.

6 If you look at the comparable registration fees
7 that we have in the Commonwealth, they're quite low in
8 relation to other areas. Those are just two ways that you
9 could get started with that.

10 And then I would also mention the fact that from
11 the Motor License Fund currently more than \$500 million
12 is being used to pay for the operations of the State
13 Police. In fact all of the increased costs to the State
14 Police's budget over the last 6 years have come from the
15 Motor License Fund and zero has come from the General
16 Fund. That's equivalent to 9 cents per gallon of the gas
17 tax.

18 I think those 3 methods right there get you about
19 halfway or more than halfway to the 2.5 billion dollar
20 increase.

21 REPRESENTATIVE OBERLANDER: Thank you.

22 REPRESENTATIVE MARKOSEK: Thank you. Okay,
23 Representative Mike Carroll.

24 REPRESENTATIVE CARROLL: Thank you, Mr. Chairman.
25 Bob, in Harrisburg and at some of these other hearings

1 that I've attended, I've heard some suggest that we can
2 wait because the Federal Government will come to our
3 rescue and reauthorize the transportation bill.

4 Can you share with us your opinion on what the
5 likelihood is of that reauthorization occurring?

6 MR. LATHAM: I would say that the action in
7 Washington on reauthorization is deplorable at best. That
8 bill was supposed to be reauthorized a year ago. The
9 Senate didn't even act on getting any staff work put
10 together.

11 On the House side, Chairman Oberstar has
12 legislation ready to go that would in fact increase
13 transportation funding as was recommended by several
14 commissions and so on and so forth, but the big problem
15 now is that it is not a priority, and the Obama
16 administration has in fact indicated that they think it
17 can wait for another 18 months.

18 We simply have to take matters into our own hands
19 here in Pennsylvania and not wait for Washington to bail
20 us out.

21 REPRESENTATIVE CARROLL: Thank you very much.

22 REPRESENTATIVE MARKOSEK: Representative
23 Hutchison?

24 REPRESENTATIVE HUTCHISON: Thank you, Mr. Chairman.
25 I just wanted to follow up on something.

1 I actually worked with the folks at Hawbaker over
2 the years, and something that is not a direct ask for
3 money, but it's certainly a redirection of our resources
4 and a cost inflater for your projects, and that would be
5 some undue environmental regulations and hurdles which
6 your company has had to jump through and continues to jump
7 through to get your plans going and to get your projects
8 under way.

9 I wanted to know if any of you could comment on
10 those types of things that we should be doing to decrease
11 the cost of getting projects completed.

12 MR. LATHAM: I'll make a brief comment on that. If
13 you look at the timeline for a typical, what I would call
14 more than just a paving project, a major reconstruction
15 project, obviously, we have to perform these projects with
16 all due sensitivity and attention to the environment and
17 not disrupt the environment, not disrupt streams, not
18 disrupt the landscape as much as possible.

19 And its DEP's job and some of the other agencies to
20 make sure that that happens, but 75 per cent of the
21 timeline from when a project is okayed, I guess, if you
22 will, on a 4-year TIP to the actual completion of the
23 construction, is that permitting an environmental
24 process?

25 We work very hard with PennDOT to shorten the time

1 of construction from advertising to award and getting
2 those jobs done on the design and construction side. I
3 would say that anything you could do to either help DEP in
4 terms of staffing or streamlining or something, you know,
5 because we hear just like from other agencies, we don't
6 have enough people to process the permits and so on and
7 so forth. That permitting process does take quite some
8 time.

9 REPRESENTATIVE MARKOSEK: Representative Pyle?

10 REPRESENTATIVE PYLE: Thank you, Mr. Chairman, and
11 Mr. Latham, you're always a pleasure to work with and Mr.
12 Palo, and I truly appreciate the work of hiring, and I
13 don't want to belabor the Committee, and I appreciate
14 Hawbaker as well.

15 There is an issue pending, and I believe Chairman
16 Hutchison is on that right now, House Bill 2405, that can
17 significantly increase the cost of asphalt and building
18 materials, and if I could grab you outside this meeting
19 later, that would be helpful.

20 MR. LATHAM: Sure.

21 REPRESENTATIVE MARKOSEK: Thank you. All right,
22 gentlemen, thank you very much.

23 The Chair would like to recognize Chairman Mike
24 Sturla, who is here today, and he's the Chair person of
25 the House Policy Committee, which is a joint host of these

1 hearings. Mike is in the building somewhere . . . okay,
2 hi, Mike.

3 Next we have the American Concrete Pavement
4 Association, and Mr. Clay Stahl, Mr. Tom Hunt, and Mr.
5 Mark Snyder.

6 Children's Hospital submitted testimony for the
7 record.

8 MR. HUNT: Good afternoon. I would like to thank
9 the members of the House Transportation and Policy
10 Committees for allowing me to testify at this hearing.

11 My name is Tom Hunt and I'm the Senior Sales
12 Manager in western Pennsylvania for Cemex, which is a
13 world-wide producer of cement, ready-mix concrete, and
14 aggregates. With me today is Dr. Mark Snyder, who is
15 the Vice President of the Pennsylvania Chapter of the
16 American Concrete Pavement Association, and my company is
17 also represented on the Board of Directors of the
18 Association.

19 Cemex, an Energy Start Partner, today employs
20 approximately 70 local men and women at our cement
21 terminals located in Wampum and Neville Island,
22 Pennsylvania, and at a concrete products plant in
23 Pittsburgh.

24 The American Society of Civil Engineers recently
25 graded Pennsylvania at a D minus for roads. Unemployment

1 in the highway construction industry is significantly
2 higher than for the rest of the society. Our economy is
3 stumbling and we continue to lose some of our brightest
4 college graduates as they move to other States where jobs
5 and other opportunities are more plentiful. We cannot
6 continue down this path.

7 For long-term, sustained growth in our economy, we
8 first need to put our highway infrastructure and
9 Pennsylvania workers back on the road to recovery. We
10 need legislation that provides a long-term solution to the
11 transportation funding crisis. The Transportation
12 Construction Industries and the Keystone Coalition
13 estimate that Pennsylvania needs \$4.8 billion annual
14 transportation infrastructure program to support this
15 level of funding as well as the development of a
16 reasonable, reliable plan for achieving this funding in
17 the future.

18 What can we accomplish with a long-term funding
19 solution to fund our infrastructure?

20 We can get away from the short-term "band-aid"
21 fixes and include a mix of medium-term and long-term fixes
22 as part of our approaches to asset and pavement
23 management. Pennsylvania is currently constructing with
24 stimulus funds its first medium thickness concrete overlay
25 on an existing asphalt pavement. This medium term

1 solution is but one alternative approach to the
2 conventional short-term fixes generally used.

3 With a long-term funding solution, we can also make
4 a commitment to long-term infrastructure solutions. The
5 Transportation Advisory Committee stated that closing the
6 funding gap will allow pavements to be improved that were
7 on a 50-year cycle with appropriate interim treatments.
8 We recognize that this is a big step in the right
9 direction, but why limit ourselves to 50-year cycles for
10 pavements with interim treatments, especially when we hear
11 talk about 75 and 100-year bridges? Why connect those
12 long-life bridges with pavements that are designed with
13 significantly shorter lives?

14 For this reason and others, there are States that
15 have developed and implemented high-performance paving
16 specifications that are intended to result in pavements
17 that last for 60 years and longer with minimal maintenance
18 and rehabilitation. These States have found that it often
19 costs less than 10 per cent more initially to more than
20 double the life of the pavement.

21 This is the kind of investment that we can
22 undertake with a long-term funding solution. This
23 long-term approach to the infrastructure management will
24 help Pennsylvania reduce annual highway expenditures and
25 it would help reduce the number and frequency of work

1 zones along with work zone-related accidents and
2 fatalities. Long-term, sustainable solutions to the
3 infrastructure will help us make the best use of our
4 natural resources.

5 With a long-term solution to the transportation
6 funding crisis and a commitment to investment in long-life
7 infrastructure projects, people will be put back to work
8 immediately, and the resulting improvements in
9 transportation efficiency and reduced congestion will pay
10 dividends to Pennsylvania's economy for generations to
11 come.

12 Thank you for giving me this opportunity to speak
13 and I'll be happy to answer any questions.

14 REPRESENTATIVE MARKOSEK: Okay, thank you, any
15 questions?

16 (No response)

17 You did such a great job and you've come to all of
18 our hearings, and we appreciate it and thank you very
19 much.

20 MR. HUNT: Thank you very much.

21 REPRESENTATIVE MARKOSEK: Okay, Mr. Steve
22 Schrecengost, Greater Pennsylvania Regional Council of
23 Carpenters. Steve, welcome, and after Steve will be the
24 Pennsylvania Chamber of Business and Industry.

25

1 MR. SCHRECENGOST: Hello, everyone. I'll be short
2 and sweet.

3 I work for the Heavy Highway Carpenters' Union and
4 I'm a Council Rep. We have over a thousand carpenters,
5 men and women, in our Local that make their livelihood
6 from building bridges and working on the roads.

7 Our carpenters work seasonal from spring to fall.
8 For these carpenters, they are the breadwinners of their
9 families. I've worked construction for 25 years. It's a
10 good career as long as we keep having funding and work.

11 We also have a training apprenticeship program with
12 both being good for, with work being good for the last few
13 years, we've helped alot of men and women that have lost
14 their jobs because of the economy. Up around Clarion,
15 it's been the trailer factories, and down my way, around
16 Armstrong County, we've had Elger, alot of machine shops
17 have been slow.

18 We took alot of these good men and women and got
19 them in our four-year apprenticeship program. In our
20 apprenticeship program, they go to school one month a year
21 in the winter when they're laid off and then in the
22 summers, they work, they train, and they get paid while
23 they learn.

24 In this industry, funding means everything. If we
25 have funding, we have jobs. With lack of funding, less

1 jobs.

2 If we don't have funding and work gets bad, we have
3 a chance of losing alot of good, trained and experienced
4 carpenters, foremen, and most of all companies.

5 I'd like to take a quick second to thank PennDOT
6 for the great job they did with all the stimulus money,
7 getting all these jobs, shovel ready, and everything went
8 smooth, and there's alot of good work out there.

9 Alot of people don't realize this, but I hit alot
10 of jobs and I see decks that they take off and it's just
11 crumbling. There's all these bridges and they need fixed,
12 and with the funding, we can do it.

13 With the correct result of extra stimulus money,
14 our jobs have increased 30 per cent, so if tolling I-80 or
15 gas tax, whatever it takes to keep us in funding, we need
16 to keep fixing our deficient bridges and highways.

17 I just read an article not long ago that said our
18 bridges was ranked a "C" in western Pennsylvania. That's
19 only because we've been after it fixing them. If we don't
20 come up with the funding, it's not long before you're down
21 to a "D" or an "F."

22 Thank you.

23 REPRESENTATIVE MARKOSEK: Okay, Steve, thank you
24 very much. Any questions?

25 (No response)

1 REPRESENTATIVE MARKOSEK: I don't see any hands.
2 You did a great job and I thank you for coming.

3 MR. SCHRECENGOST: Okay, thank you.

4 REPRESENTATIVE MARKOSEK: Next is Pennsylvania
5 Chamber of Business and Industry. We have Mr. Peter
6 Rigney, General Manager of Scrubgrass Generation.

7 Go ahead, Pete, and you can identify your partner
8 there, please.

9 MR. RIGNEY: This is Mr. Alex Rahn. He's one of
10 my Associates.

11 REPRESENTATIVE MARKOSEK: Okay, gentlemen, you have
12 5 minutes. You may proceed.

13 MR. RIGNEY: Good afternoon, gentlemen, Chairman
14 Markosek and others on this panel. I submitted my written
15 testimony and there's some boiler plate in that.

16 I run the Scrubgrass Generating Plant located in
17 Venango County in Representative Hutchison's district.
18 We're a waste coal burner. We clean up the gob piles, and
19 if you drove across I-80 today, you saw some of the
20 remnants of that with the orange ooze coming into the
21 highway in certain spots.

22 We've been at it since 1993 with the Scrubgrass
23 Generating Plant. We supply power to under contract to
24 Penelec and we employ 53 people at the power plant, and in
25 total with Scrubgrass Generating, five of those are

1 located in Clearfield County at a waste coal site we have
2 out there, which is an old gob pile up there.

3 Additionally, we take coal from the Rentin pile in
4 Plumborough in the Chairman's district, and it started
5 out, I believe, at close to 20 million tons of gob. This
6 is the acid mine drainage problem that the whole State
7 deals with and it's one of about 14 plants located in the
8 State of Pennsylvania almost all of which transport their
9 fuel by truck, and some are closer, some are farther.

10 In our case, our farthest site is the Clearfield
11 site, which is 93 miles, so transportation is of vital
12 importance to us.

13 One thing I would like to say is that around here
14 as a Chamber, our views represent Scrubgrass Generating
15 and not necessarily those of the Chamber just so that's
16 clear.

17 We went through the battles on I-80 tolling, which
18 pitted one part of the city against the other, and we hope
19 that we don't have to revisit that again. In our case,
20 that would have cost our company over \$300,000 a year had
21 that gone through.

22 What I would like to get to though is the
23 activities that go on that impact our business, that each
24 time a bridge is derated, and we've heard a little bit
25 about that here, that impacts somebody and somebody's

1 business, and in the case of business, that's done with
2 little or no notice. The signs go up, the police are
3 posted, and tickets are written.

4 For business, it can be substantial, and just as a
5 couple of real life examples, we had one bridge down in
6 Westmoreland County, Route 366. It was going to be
7 posted. It was posted and we re-routed our trucks mid
8 day.

9 The cost of that re-routing over a two-year period
10 would have been \$750,000 to our company alone. One
11 company was looking at \$14,000 a month.

12 Additionally, when PennDOT is permitting or getting
13 to do work, they'll pull special permits. We have
14 permitted heavy hauls. When they pulled those permits in
15 most recent cases, we had to reapply for those permits
16 even though they were just obtained over the year, and
17 depending on where the truck came on line, they would
18 have to get new permits as if they never had a permit
19 before.

20 Now to PennDOT's credit, the last time we've had
21 it, they are trying to suspend them for the time the work
22 is being done and that we appreciate.

23 My point is that there are unintended consequences
24 of people trying to do good things and trying to do their
25 jobs that don't necessarily understand the impact of those

1 actions on business.

2 Additionally, there was one bridge in Butler County
3 which re-routed our trucks from about Route 38 to Route 8.
4 The de-rating was a 15,000 lb. de-rating. We could haul
5 95,000 and they de-rated it to 80,000. That change alone
6 increased our cost by \$150,000 a year. Again, good
7 intentions, ultraconservative, I believe, evaluation
8 criteria.

9 After what happened in the Midwest, and I don't
10 blame the civil engineers that are putting their PE stamps
11 on these things for de-rating bridges very quickly, but
12 some better coordination for private/public funding
13 between these and letting businesses know that have hauls
14 on those roads, and I'm not sure how we go about that. If
15 there's special permits, that's easy to do. With the
16 other ones, it's less easy to do.

17 But in the case of the Westmoreland bridge, we met
18 at the bridge, and it cost \$7,000 in materials, the bridge
19 was temporarily repaired, and it was fixed, and industry
20 was glad to step up because we do an economic analysis.
21 How much is the alternative to doing this?

22 Granted, we could be opening ourselves up, you
23 know, to being held hostage and everything and I
24 understand that, but we have to have dialogue about
25 reasonable and rational fixes.

1 There is not a bottomless pit of money and industry
2 can't continue to react everytime a bridge sign goes up,
3 so with that, I'll end my statement and take any questions
4 that you may have.

5 REPRESENTATIVE MARKOSEK: Representative Geist?

6 REPRESENTATIVE GEIST: I would like to thank you
7 for the testimony because all over the State, we have been
8 hearing about the cost of detours, and when Bill gets up
9 here and shows the map with all the green stars on it and
10 we get the list in this region of the State with all the
11 3-ton and 10-ton limits, there's a consequence to it,
12 whether it's the milk truck or the oil truck or in some
13 cases a larger ambulance or the school bus that has to
14 stop and the kids walk across first. There are real true
15 consequences, and Mike Carroll asked a question of the one
16 that kind of floored me because some of these, there
17 aren't any detours because that bridge is the only way
18 in and out of the Valley, and we've been trying to drive
19 that home and I thought you did an excellent job of it
20 today.

21 MR. RIGNEY: Thank you.

22 REPRESENTATIVE MARKOSEK: Representative, Chairman
23 Mike Sturla.

24 REPRESENTATIVE STURLA: Thank you, Mr. Chairman.
25 Sir, I have a couple questions about your testimony

1 because I'm not sure I understand something.

2 The first thing you said was that tolling on I-80
3 would have cost you \$300,000 a year?

4 MR. RIGNEY: Had the tolls gone through.

5 REPRESENTATIVE STURLA: Well, as I understood it,
6 the way the tolling proposal was, you would have been able
7 to drive a hundred miles on I-80 without paying a toll
8 because anybody who was local would have had to at least
9 pass through one, and they would have passed through one
10 tolling station without paying toll.

11 MR. RIGNEY: When we had to run our analysis on
12 the impact of that, there was -- we had to use the basic
13 Turnpike mileage fees calculated from exit to exit,
14 entrance to exit, and that's what we based it on.

15 REPRESENTATIVE STURLA: But that wasn't the
16 proposal.

17 MR. RIGNEY: It would have been close to that by
18 the time we were done, I believe. I can't say that for
19 sure, but when it started up on the 3 battles we had over
20 that, it was approaching that number for us on the amount
21 of materials we were hauling and tractor trailers.

22 REPRESENTATIVE STURLA: Okay. As I understand the
23 proposal that was submitted to the Federal Government,
24 anybody with a Pennsylvania license plate would have been
25 able to get a sticker, which would have exempted them

1 after one tolling booth.

2 MR. RIGNEY: And our trucks have Nevada plates.

3 REPRESENTATIVE STURLA: Aha! So you're not paying
4 any taxes on the registration of the vehicle --

5 MR. RIGNEY: No, no, that's not true, sir. It's
6 paid on the fuel. The fuel is bought in Pennsylvania.

7 REPRESENTATIVE STURLA: You don't pay registration
8 fees on your trucks in Pennsylvania?

9 MR. RIGNEY: It's an apportionment. We contract
10 with the transportation company. It's a long-term
11 contract.

12 REPRESENTATIVE STURLA: You don't register the
13 trucks in Pennsylvania?

14 MR. RIGNEY: They're Interstate trucks.

15 REPRESENTATIVE STURLA: Aha, okay. There's a loop
16 hole there, folks.

17 MR. RIGNEY: It is not a loop hole, sir. You
18 still get the money. The miles they drive in
19 Pennsylvania, they pay the Pennsylvania apportionment so
20 they have to pay. There's no Get Out of Jail Free Card.
21 Nobody gets a free ride.

22 REPRESENTATIVE STURLA: So you're paying a
23 registration fee in Pennsylvania. What we have to make
24 sure is when we do toll I-80, that we make sure that
25 anybody who is using their truck in Pennsylvania that

1 100 per cent of the time gets to get that free pass across
2 the tolling booth.

3 MR. RIGNEY: Fair is fair, you know, depending on
4 whatever tolls get set up. If we want tolls, then toll
5 Pittsburgh and Philadelphia, and then of course that
6 affects people on mass transit because it will be too
7 expensive to drive and you'll solve two problems.

8 REPRESENTATIVE STURLA: That's my next question, I
9 guess. The part that I can't figure out is the roads in
10 Pennsylvania that generate the most liquid fuel tax are
11 the ones that have the highest amount of traffic on them.

12 So, for instance, I-95, which runs through
13 Philadelphia, has 180,000 cars a day, and that generates
14 on a per mile basis a thousand times more liquid fuel tax
15 than a road that gets 1800 cars a day.

16 Would you agree with that?

17 MR. RIGNEY: Okay, so what is your point?

18 REPRESENTATIVE STURLA: So I guess my question then
19 is why would we then add additional tolls on a road that
20 already generates alot of liquid fuel tax with it?
21 Wouldn't it make more sense to toll roads that have fewer
22 cars on it?

23 MR. RIGNEY: Do you want to get more tax?

24 REPRESENTATIVE STURLA: Well, what I want to do is
25 have it be more fair in terms of there's enough cars that

1 travel on --

2 MR. RIGNEY: If you want to be fair, I think a
3 registration fee would be fair which spreads it across
4 everybody in the State, so that you share as well as if
5 you look at the management practices of all the agencies
6 that are requesting this money.

7 One of the other presenters talked about replacing
8 equipment at 9 years, and I can tell you in industry, the
9 first thing you usually get from a manufacturer is we're
10 not going to support this piece of equipment.

11 In my case at a power plant, they told us 10 years
12 ago that they're not going to support our control system.
13 I said, fine, thank you very much. We're not going to buy
14 a new one.

15 We're still running with that same control system
16 and it's approaching 20 years old beyond that now, and
17 we're making it work because we get spare parts from
18 others. We don't just accept what the manufacturer says
19 or what someone puts a standard on, you know, for which,
20 you know, they have an interest in selling you a product,
21 so --

22 REPRESENTATIVE STURLA: I guess the question I have
23 relates to this notion that you're for tolling in parts of
24 the State where you don't operate?

25 MR. RIGNEY: No, no. I'm not -- if we're going to

1 put tolling, then do it throughout the State. You know,
2 if you're going to do it, if you did it throughout the
3 entire State, first of all, the entire Commonwealth, you
4 could lower -- you know, everybody pays a little as
5 opposed to some paying alot.

6 My concern is that you've got a small plant that is
7 getting a \$300,000 bill. If I went to Philadelphia and
8 went to a trucking firm and said, oh, by the way, I want
9 another \$300,000 plus I'm taking \$150,000 because I'm
10 re-routing your trucks, I think you'd hear a human cry
11 from them.

12 REPRESENTATIVE STURLA: See, I'm not from
13 Philadelphia, but I use the Pennsylvania Turnpike alot,
14 and the last time I drove to Philadelphia, which is about
15 80 miles away from me, I paid a \$3.25 toll to drive on the
16 Turnpike to get to Philadelphia, and my truck gets about
17 15 miles to the gallon, so I bought 5 gallons of gas to
18 get there, and I paid an additional \$3.25, which if I put
19 that in terms of a gas tax, it would have been about 60
20 cents a gallon to get there.

21 Now today, I drove longer than that on I-80 and I
22 didn't have to pay anything and I'm trying to figure out
23 --

24 MR. RIGNEY: But you're saying the Federal
25 Interstate highway system, which was built as a free toll

1 or a toll free road back when Eisenhower started it, and
2 the Turnpike was supposed to go out of business when it
3 was built when it was paid off for its bonds, but somehow
4 remains, and that's an interesting fact.

5 Why is something that was supposed to -- if you
6 look at the original documents, I believe they say we're
7 going to go away. It never went away.

8 REPRESENTATIVE STURLA: We use the tolls on the
9 Pennsylvania Turnpike to fund roads all across the State.
10 Are you suggesting that we remove the tolls from the
11 Pennsylvania Turnpike?

12 MR. RIGNEY: Is the capital bond paid off?

13 REPRESENTATIVE STURLA: Yeah.

14 MR. RIGNEY: What was the original genesis of the
15 Turnpike Committee?

16 REPRESENTATIVE MARKOSEK: Okay, thank you.
17 Representative Longietti?

18 REPRESENTATIVE LONGIETTI: Thank you, Mr.
19 Chairman. Thank you for your testimony and I understand
20 your testimony and I listened to the oral version, and it
21 appears that you believe, and I think it's true, that we
22 have a very significant funding need in Pennsylvania when
23 it comes to roads and bridges in the Commonwealth, and
24 hopefully we're past the I-80 decision and certainly
25 there's a split on people's views on that, but I think

1 we're past that at this point in time.

2 In your testimony you mentioned that increases in
3 vehicle registration fees and a gas tax potentially is a
4 more fair solution.

5 Are you able to tell us today what you believe is a
6 fair increase in the gas tax and/or the registration fees
7 so that we can meet this funding need that you've
8 identified in your testimony?

9 MR. RIGNEY: No, sir, I can't. What I base that
10 on is a simple notion that it's a State-wide problem and
11 it's a State-wide solution, and in the last event, to pit
12 one part of the State against another part of the State
13 was decisive. It went nowhere, and what would be
14 reasonable -- I think if it was fairly across the State,
15 whatever the number comes up to be based on the need,
16 I don't think that we could argue that if it's fairly
17 applied.

18 REPRESENTATIVE LONGIETTI: I certainly appreciate
19 that and a gas tax and registration fees are across the
20 board, across the State, and I know I'm stealing a little
21 bit of Representative Carroll's thunder from previous
22 hearings and he's done an excellent job at putting out,
23 you know, where we're at and what we need to do, and part
24 of that is asking the folks that are abdicating, you know,
25 that the need is there and the need needs to be met and to

1 step up and say, you know, this is what the Chamber
2 supports, and I know to some degree, the Chamber has done
3 that, but to really quantify it and say, you know, we
4 support X cents a gallon on the gas tax or an increase of
5 X in the registration fee because after all, you're asking
6 us to vote on that and we need -- Representative Carroll
7 has made this point time and again at the hearings, you
8 know, that we need partners to stand with us if we're
9 going to do some heavy lifting here and come out and say
10 that our membership supports this and we will stand with
11 you and we will go to the public and say this is what
12 needs to be done because otherwise, it's hard to get the
13 job done, and I think your testimony does recognize the
14 need, and I believe that the need is there to fix our
15 roads and bridges.

16 MR. RIGNEY: Personally, I've lived in 6 States and
17 I paid alot more for car registration. I've paid somewhat
18 less in other places, but mainly more, and I have to say
19 that I'm speaking for Scrubgrass Generating and not the
20 Chamber.

21 REPRESENTATIVE LONGIETTI: I understand that and
22 appreciate it. I'm just, you know, being another member
23 to convey that message that's been conveyed at other
24 hearings, and you know, hopefully, the Chamber has the
25 message and I believe they do. I appreciate your

1 testimony.

2 REPRESENTATIVE MARKOSEK: Representative Carroll?

3 REPRESENTATIVE CARROLL: Thank you, Mr. Chairman,
4 and for the benefit of both the panel and for
5 Representative Longietti, the Pennsylvania Chamber
6 testified at the last hearing in Scranton in support of an
7 8-cent a gallon gas tax, and that was the Pennsylvania
8 Chamber's testimony.

9 They had testified in Hershey in the abstract in
10 support of the gas tax, but they later testified in
11 support of 8 cents a gallon just so that the member knows
12 and that the panel knows, and you know, I said in Scranton
13 and I'll say here, I doubt that the Pennsylvania Chamber
14 arrived at that decision without careful thought, and it
15 seems that the Pennsylvania Chamber is not one
16 organization that would come forward with an increase in
17 the gas tax without carefully calculating its impact on
18 business, and so I just mention that for the sake of the
19 panel and also the members.

20 Thank you.

21 REPRESENTATIVE MARKOSEK: Okay, I don't see any
22 other questions so gentlemen, thank you very much.

23 MR. RIGNEY: Thank you.

24 REPRESENTATIVE MARKOSEK: Gladys Knox, Pennsylvania
25 Motor Truck Association. Gladys, welcome. Okay, Ms.

1 Knox, you may proceed. Five minutes, please.

2 MS. KNOX: Good afternoon. My name is Gladys Knox
3 and I'm the President and Co-Owner of Wright Knox Motor
4 Lines. We're a second generation family owned trucking
5 company and we've been in business for 28 years. We
6 employ 70 people and we have 3 main shippers in western
7 Pennsylvania, which is Specialty Tires of America,
8 Orell Windows located in Indiana, and we also have
9 Kennametal based in Latrobe. We're a long-standing member
10 of PMTA and we support many of the issues that they have,
11 and I want to thank you for the opportunity to actually
12 come here and talk to you about your transportation
13 system.

14 Now it's important to all the Pennsylvania citizens
15 that we do operate on a safe, efficient transportation
16 system and it is evident to most of the motoring public
17 who realizes that we do need major repair and updating to
18 continue meeting economic growth and the basic needs of
19 our citizens.

20 In my area, there are several bridges that need
21 attention, and I will say that with safety being a
22 paramount concern in the trucking industry, we routinely
23 will travel extra miles just to make sure that we can
24 avoid the areas that have extreme congestion, restricted
25 bridges or there might be low underpasses or some high

1 accident corridors.

2 One example of that which you probably all realize
3 is the one around Pleasantville and that was the scene of
4 an accident where there were two truck drivers killed with
5 three cars involved, and then we do have another area that
6 is close to United High School, and that's also next to
7 the elementary school and lots of buses, and we've had the
8 cars slide off the road there in the winter with the ice,
9 and there's lots of trucks. We get over 600 coal trucks
10 that come through Armagh every day so we're exposed to
11 alot of truck traffic.

12 Now while we choose to be safe, it's still costly
13 to be safe, and the newer environmentally designed engines
14 only get about 6.5 miles per gallon with the fuel out
15 there. We do govern our trucks at 65, and that speed
16 limit is way below alot of the others which are 70, 75 in
17 the Midwest and less that we do travel in.

18 The two highest expenses that we do have in our
19 industry is the fuel and the drivers, and that's closely
20 followed by the maintenance of our original equipment and
21 that's an investment which has risen about 46 per cent in
22 the last 10 years. We've gone from \$85,000 on a truck to
23 \$104,000, and they're telling us our next truck is going
24 to be \$120,000.

25 For example, the cost out of route for us just in

1 the Pleasantville Mountain area alone costs approximately
2 \$85,000 a year, and to add to that, it's extra miles which
3 is extra time. You have congestion, you have accidents,
4 and anything that is going to hold a driver up is going to
5 take time off his log book, and the log book of course is
6 the 10 hours that we're allowed to sleep, 11 drive, and 14
7 for total hours on duty.

8 Whenever that affects the driver, that means he's
9 going to have less income. We're going to move less loads
10 for the year. We're going to have less revenue for our
11 company and we're going to have less service for these
12 companies that we hire for, so in other scenarios, we can
13 add drivers and we're lucky if we can find drivers when
14 we're working with the CSA 2010 and restrictions on
15 that.

16 There's more trucks on the highway and then we're
17 going to have an increase cost of goods and materials that
18 we provide to our shippers, which in the end, it flows to
19 all of our citizens.

20 Now while we say that we believe it's important to
21 Pennsylvania to maintain a structurally sound
22 transportation system, we also know that that's a very
23 costly endeavor, and we know that the funds are limited,
24 and in some cases, there's nonexistent money for some of
25 the projects.

1 But inaction will result in continued decay, and
2 we're going to have problems with economic growth, safety
3 hazards, accidents, and people are not going to want to
4 come here and build, live or work, so all of that is
5 unacceptable.

6 Therefore, we feel it is the responsibility of our
7 legislature to ensure that there are funds so that we can
8 adequately maintain our transportation system for our
9 future growth and for the development of our citizens, and
10 without that action, we feel that we're -- without action
11 to avert the funding crisis, goods and services delivered
12 by transportation companies such as ours and used by
13 citizens will fall into jeopardy.

14 Now in reference to the cost question that was on
15 the paperwork, I don't want to assume that District 10 has
16 any greater needs than any other district in the State
17 because we travel in all Pennsylvania districts, and I
18 mean to tell you that the total infrastructure is
19 important to our trucking industry.

20 The most recent articles that I've read and studies
21 show that we need \$3 billion for highway and transit
22 annually, and those funds are needed now.

23 All I want to say is that I believe they must be
24 fairly accessed and equitable to all stakeholders and the
25 funds must be easily collected. That would mean in our

1 current time that it would be good to use the sources that
2 are already currently in place, and of those, we're
3 talking about lifting the artificial cap on wholesale cost
4 of fuel, increasing fuel taxes, reducing the disparity on
5 the tax between gas and diesel, and a combination of any
6 current revenue generators.

7 Would you like to hear the rest?

8 REPRESENTATIVE MARKOSEK: I just want you to just
9 very quickly sum it up.

10 MS. FOX: Overall, we're saying that we know all
11 Pennsylvania citizens do use the highway in some fashion
12 whether on or not and somebody services them some way, and
13 therefore, they should all pay for a portion of this until
14 we get there.

15 REPRESENTATIVE MARKOSEK: Any questions?
16 Representative Carroll?

17 REPRESENTATIVE CARROLL: Thank you very much, Mr.
18 Chairman, and thank you for your testimony and similarly
19 with the Pennsylvania Motor Truck Association and your
20 company, it's compelling testimony for someone to sit at a
21 podium, at a microphone, and abdicate for additional funds
22 including the motor fuel tax. It can't be an easy
23 proposition, but the fact of the matter is I applaud you
24 for taking that brave position and for sharing the view
25 that we need to add more money to this pot because it's

1 vitally important. I think you for your testimony and
2 similar testimony was relayed by others in your industry
3 at all the hearings we've been at throughout the State and
4 so it's a universal opinion at least among the
5 Pennsylvania Motor Truck Association and folks who
6 testified and so I can tell you that you're not alone.

7 REPRESENTATIVE MARKOSEK: Thank you very much. I
8 appreciate it, very good.

9 Next is Pennsylvania Asphalt Pavement Association
10 and I see our good friend, Mr. Gary Hoffman is here, and
11 Gary, 5 minutes, and I would ask Gary and all the other
12 folks who are testifying that rather than reading verbatim
13 all their testimony, if they could just sum it up, and I
14 think that would make things go quicker. We're getting a
15 little bit behind here and we want to get PennDOT on, but
16 we want to give everybody a chance, so we appreciate
17 everybody's cooperation including the members, and Mr.
18 Hoffman, you may introduce yourself.

19 MR. HOFFMAN: Yes, Mr. Chairman, I have with me
20 Mr. Frank Colello, and Frank is a consultant to the
21 Association and he's also former CEO with Lindy Paving of
22 New Castle.

23 Chairmen Markosek, Geist, Sturla and members of the
24 House and House Transportation Policy Committees, thank
25 you for the opportunity of allowing me to testify, and I

1 intended to paraphrase the written testimony that I
2 submitted to you earlier.

3 The Pennsylvania Asphalt Paving Association
4 represents about 130 companies around the State employing
5 either directly or indirectly Union and nonUnion over
6 10,000 people, Pennsylvanians, in the asphalt paving
7 industry.

8 I want to focus today on that work force and also
9 on the importance of smooth pavements. PAPA member
10 companies have plants in all counties with the exception
11 of maybe less than a handful, at least one asphalt
12 production plant in all counties.

13 I have to say that many of these companies are
14 multi-generational, family-owned companies right there in
15 Pennsylvania.

16 Good quality smooth roads are important to all
17 Pennsylvanians. They are important because they are safe,
18 vital to our quality of life, reduce vehicle operating and
19 maintenance costs, and are necessary to spur the economic
20 competitiveness and vitality in Pennsylvania.

21 Today I want to focus on smoothness, and when it
22 comes to smoothness of pavements, it matters, and it
23 matters alot. It matters because we know that a smooth
24 road provides better fuel efficiency, and actual tests
25 show that a truck running on smooth pavements gets 4 to 5

1 per cent better fuel efficiency, and if you translate that
2 to an average automobile driver at today's prices, you
3 could save \$150 a year on fuel costs.

4 It makes a difference on the operating and vehicle
5 repair costs, and a National report indicated that a
6 report looking at all the States indicated that
7 Pennsylvania could save \$346 a year on vehicle maintenance
8 costs with things like wheel alignments, shocks, hub-cap
9 replacement, mufflers, et cetera, because of driving on
10 rough roads.

11 Smooth roads matter because smooth roads last
12 longer, and deterioration of roads is not a straight line.
13 It's related to the roughness of the pavement, and let me
14 use an example.

15 Let's say you have a truck running over a smooth
16 pavement road versus a truck running over a rough
17 pavement. It's like taking a piece of tile and tapping it
18 with a ball-peen hammer. That's a truck running over a
19 smooth pavement.

20 When that same truck, same loading, axle wheel
21 loading, runs over a rough pavement, you start to get
22 bouncing, and that bouncing translates into a dynamic
23 load, so it's like taking a 16-lb. ball-peen hammer and
24 tapping that same piece of tile, and we all know what's
25 going to happen when you do that, so it's important to

1 keep smooth roads smooth as long as possible.

2 There's alot of statistics out that show that it
3 costs 5 to 10 times more over the life cycle, and we heard
4 folks talk about life cycles of pavement, 5 to 10 times
5 more if you let that pavement deteriorate and you have to
6 totally reconstruct it than if you do periodic
7 preservation treatments like grinding or milling of the
8 pavement to keep it smooth or an overlay or whatever to
9 extend the life of that pavement than if you let it
10 deteriorate and have to reconstruct the whole thing from
11 the bottom up, so it makes sense to do the right treatment
12 at the right time.

13 And you'll here PennDOT talk, I'm sure, as they
14 have in the past about roads getting out of cycle, and
15 what that means is you start deferring roads, and there's
16 a right treatment, preservation treatment at the right
17 time in the life of that pavement, and if you let it go
18 beyond that, it's like -- I used the example before -- not
19 putting a roof on your, re-roofing your house at a 25-year
20 cycle or a 35-year, whatever, shingles you put on your
21 roof.

22 If you don't do that at the right time, then all of
23 a sudden, now you're replacing the sheeting, you're
24 replacing the drafters and everything, and the same thing
25 with the pavements, so you can't put it off is the bottom

1 line. If you can't afford to fix it today, you're never
2 going to afford to fix it, and it's going to get to the
3 point where you have to totally reconstruct it.

4 So let me tell you that because of the nature of
5 PAPA and the type of our industry, men and women,
6 Pennsylvanians, can be put to work all over the State as
7 pavement infrastructure projects, preservation projects
8 are awarded. These are good paying, rewarding jobs that
9 cannot be shipped overseas, and a survey of our membership
10 indicates that there's nearly a one-to-one correlation
11 increase in funding to increase in work force just because
12 of the type of business that we're in.

13 So for all of the above reasons, the Association
14 strongly supports a comprehensive funding solution, a
15 solution that addresses all the needs of all
16 transportation modes, and a solution that is predictable
17 and sustainable long term and not just a fix to replace
18 the I-80 tolling funding losses.

19 Thank you.

20 REPRESENTATIVE MARKOSEK: Thank you, Gary.
21 Representative Kathy Rapp?

22 REPRESENTATIVE RAPP: Thank you, Mr. Chairman, and
23 thank you for your testimony, Mr. Hoffman.

24 Could you tell me about approximately how many tons
25 of asphalt Pennsylvania uses per year?

1 MR. HOFFMAN: That is a good question and I don't
2 have it off the top of my head. I think it's somewhere in
3 the range of 3 to 4 to 5 million tons a year.

4 REPRESENTATIVE RAPP: Three to four to --

5 MR. HOFFMAN: I can get that exact number for you.

6 REPRESENTATIVE RAPP: I was given a quote of the
7 price of asphalt as anywhere, depending on the market,
8 from \$325 to \$375 per ton. Would you say that that's
9 about the range?

10 MR. HOFFMAN: No. You're talking about the liquid
11 asphalt?

12 REPRESENTATIVE RAPP: Yes, the liquid asphalt.

13 MR. HOFFMAN: Currently, and there is a price
14 adjustment factor in place for liquid asphalt and the
15 current price in Pennsylvania is about \$490 a ton of
16 liquid asphalt. That is up about \$100 from where it was
17 about a year ago, but it's going back down and it tracks
18 not immediately, but there is a little lag time, but it
19 tracks the price of crude oil because it's what's left
20 over at the bottom of the barrel after they go through the
21 refining process.

22 Typically, the asphalt is the sticky stuff that
23 glues -- it's a binder that glues the aggregate and sand
24 together in the mix, and it's typically anywhere from
25 4 1/2 to 5 1/2 per cent by volume of the total mix.

1 REPRESENTATIVE RAPP: Is most of the asphalt that's
2 used in Pennsylvania and manufactured -- I don't know that
3 manufactured is the correct term -- is it produced in
4 Pennsylvania?

5 MR. HOFFMAN: Most of the asphalt that's used in
6 Pennsylvania is bought from companies that are in
7 Pennsylvania. Maybe, Frank, you can answer this more
8 directly.

9 In the western part of the State, there are
10 asphalts that come up from the Gulf or come up through the
11 Ohio River and the western part of the State.

12 REPRESENTATIVE RAPP: And there were a couple
13 questions regarding a couple other issues earlier. We are
14 looking at some environmental bills down the road in the
15 State House and I know that most asphalt plants do have
16 carbon emissions.

17 Do you see any of these pieces of legislation --
18 you said that asphalt is \$490 a ton. How is anything with
19 regard to -- if you have to, your plant, the asphalt
20 plant, has to sequester that carbon, how is it going to
21 affect the price of asphalt down the road?

22 MR. HOFFMAN: Let me tell you that I can't answer
23 that directly. There will be an impact for sure, and as
24 somebody testified earlier, I am all for protecting the
25 environment and doing reasonable things.

1 At the same time, we're in an economic crisis today
2 not only in Pennsylvania but the United States, and we
3 can't do something foolish. You know, we have to weigh
4 our priorities at this point in time, and we can't do
5 something foolish for the sake of protecting the
6 environment and destroying the economy.

7 It's like the trunk of the tree. I mean, if you
8 cut off the top, the branches are going to die, too, so
9 let's be reasonable with all of these things.

10 REPRESENTATIVE RAPP: But this would potentially
11 have an impact of greatly increasing the cost of making
12 those nice smooth highways that you are recommending by
13 making sure that the asphalt and our roads are maintained
14 and updated. If the asphalt plants would have to
15 sequester that carbon, it's going to definitely increase
16 the price of asphalt above this \$490.

17 MR. HOFFMAN: There is no question that it will.
18 The extent of that, I can't tell you without making some
19 additional analysis. I'm sure there's some analyses being
20 done at the National level with our parent organization,
21 National Asphalt Pavement Association.

22 REPRESENTATIVE RAPP: Thank you very much. I
23 appreciate your testimony.

24 MR. HOFFMAN: You're welcome.

25 REPRESENTATIVE MARKOSEK: Gentlemen, thank you very

1 much.

2 Next we have 10,000 Friends of Pennsylvania, and
3 Mr. Grant Ervin, and the other 9,999 couldn't make it, I
4 guess!

5 Could you summarize your testimony, sir?

6 MR. ERVIN: Certainly.

7 REPRESENTATIVE MARKOSEK: Keep it to 5 minutes,
8 please.

9 MR. ERVIN: Thank you, Chairman Markosek,
10 Representative Geist, and other members of the Committee,
11 and I apologize for the other 10,000 or 9,999 couldn't be
12 here today!

13 The 10,000 Friends of Pennsylvania is an
14 organization to improve in all of Pennsylvania's
15 communities including cities, suburbs, small towns, and
16 rural areas.

17 We pursue State polices to help keep these
18 communities vibrant and economically healthy, and we
19 believe our transportation infrastructure is vital to the
20 well being to the State's communities and the economy as
21 well as the economic prosperity, personal safety, and
22 mobility of the residents of the Commonwealth.

23 That's why we support a comprehensive solution of
24 our current transportation crisis which includes issues
25 that we believe should solve the crisis, which is fixing

1 our crumbling roads, bridges and other infrastructures,
2 creation of sustainable, predictable, and growing sources
3 of revenue for public transit as well as strategic
4 investments in the system that provide residents with
5 mobility choices and encourage our communities in existing
6 assets.

7 We support the recommendations of the
8 Transportation Advisory Committee's \$3.5 billion levy in
9 need to identify to bring the system to a state of good
10 repair.

11 As the Commonwealth, we can no longer kick the can
12 down the road any longer, and we need to approach real
13 solutions to this problem by not placing band-aids or
14 creating stop gap measures. We need bold leadership,
15 sustainable solutions, and the ability to leverage
16 investments in our infrastructure as a means to foster
17 investment in our existing communities and economic growth
18 for all our residents.

19 Therefore, we'd like to propose several principles
20 to apply when deciding the wisest, most equitable and most
21 efficient means of addressing the funding crisis.

22 First, we believe that we must fix our existing
23 infrastructure first and fix the right infrastructure
24 right now.

25 Second, we must link our transportation investments

1 to the responsible land use decisions based on local,
2 regional, and community plans.

3 Third, we must create a growing and sustainable
4 source of revenue for the State's public transit systems.

5 Increasing fuel prices and creating pressure on
6 everyone's household budget is straining the consumer as
7 well as the elderly and the infirmed and increasingly
8 require a menu of mobility choices for the members of our
9 community. Thus investing in the State's public transit
10 system is good for rural and urban communities alike.

11 In terms of funding fixes, we recognize that
12 raising the necessary revenue is not easy. However, doing
13 nothing, taking short-term, incremental steps will
14 actually cost more over time and thus does greater
15 disservice to the residents of the Commonwealth.

16 We know that the Federal funding we receive will
17 never be enough to solve this problem, but in fact this is
18 a solution that the residents of Pennsylvania need to step
19 up to. In fact, we need strategic investments in the
20 infrastructure that lay the foundation for economic
21 growth.

22 Private investment will follow public
23 infrastructure investment, so consider investment in our
24 transportation system an investment in the State's
25 prosperity.

1 In terms of these funding needs, we'd like to offer
2 these opportunities:

3 First, we must use our existing resources smart.
4 This includes maximizing the benefit from existing
5 transportation dollars, investing in the use of
6 information technology, and utilizing techniques such as
7 design build contracting.

8 Second, the new funding formula that we devise must
9 be brought in its menu of consisting of multiple sources.
10 The scale and scope of this additional investment we must
11 make in the transportation infrastructure is simply too
12 great to be secured by a single source or even some of the
13 traditional sources that we have in hand.

14 Third, the solutions chosen must be inflation
15 sensitive. The cost of constructing contracts and the
16 operating system is skyrocketing in recent years and we
17 must keep pace.

18 Fourth, regions should be able to generate revenue
19 for regional systems or projects that benefit multiple
20 municipalities. Municipalities are severely strained and
21 the local roads and signals that they maintain are in
22 severe disrepair.

23 Finally, we'd like to offer up that we should make
24 flexible, inflative use of new and existing funding
25 strategies. Tools include expanding the use of

1 public/private partnerships, which were if they were to
2 flourish could attract significant new private investment
3 in transportation systems.

4 Also, we recommend the judicious use of responsible
5 and strategic borrowing by PennDOT and link dedicated
6 revenue sources to help finance this debt.

7 These challenges are critical that we face, but now
8 is not the time to retract the advancements made by the
9 legislature in the last several years or the
10 administration. Now is the time to build upon these
11 investments and we recommend that we do not miss the train
12 on this one.

13 Thank you.

14 REPRESENTATIVE MARKOSEK: Thank you.
15 Representative Jeff Pyle?

16 REPRESENTATIVE PYLE: Thank you, Mr. Chairman. You
17 had mentioned in your opening statement that we must not
18 miss out on the opportunity to invest in the right
19 projects.

20 What are the right projects?

21 MR. ERVIN: The right projects are the ones, I
22 think, that benefit the residents of the communities that
23 you represent.

24 If you talk to your constituents, and one of the
25 things I can say about 10,000 Friends is that we don't

1 represent a specific interest group or an industry per se,
2 but we represent communities and the residents of
3 communities.

4 In our opportunity to travel around the State, we
5 hear time and time again about the ability to invest in
6 our existing assets whether that's the roads along Main
7 Street or the corridors that handle alot of congestion in
8 suburban shopping districts or in small towns and villages
9 across Pennsylvania. It's the places where we have
10 existing infrastructure that need the investment the
11 most.

12 REPRESENTATIVE PYLE: You had also mentioned that
13 mass transit is good for both urban and rural areas, and
14 how so for rural in your perspective?

15 MR. ERVIN: From rural communities, we heard some
16 comments today that I think drive it home. It's not just
17 about having a bus access that you might have in
18 Pittsburgh or Philadelphia, but it's shared ride programs.

19 REPRESENTATIVE PYLE: Shared ride and mass transit
20 are usually separated within those operating systems, so I
21 think it's fair to separate shared ride from "big bus"
22 maintenance.

23 MR. ERVIN: Sure.

24 REPRESENTATIVE PYLE: Would you agree?

25 MR. ERVIN: I agree with that and I understand the

1 differences. I guess what I could say is that mass
2 transit is different for every community whether that's
3 catching a train, a separate train in Philadelphia, or
4 having the opportunity to take Amtrak across the State
5 even. Whether you live in towns like Mount Joy or
6 Elizabethtown or Altoona, it's the ability to connect
7 people most efficiently at the best costs.

8 REPRESENTATIVE PYLE: Efficiently? I'd love to
9 have you into Kittanning. We could ride the bus together
10 and you could pick any seat you wanted!

11 Next question, Mr. Chairman, and then I'll
12 conclude.

13 REPRESENTATIVE MARKOSEK: All right.

14 REPRESENTATIVE PYLE: You had mentioned the
15 progress we've made over the last couple of years. Please
16 identify that. I've been on the Transportation Committee
17 for a while and I'd like to know what you consider
18 progress.

19 MR. ERVIN: Progress in terms of -- I could give
20 you two examples: One is the opportunity that we've had
21 or the ability that we've had to reduce the number of
22 structurally deficient bridges. We have a massive amount
23 of bridges, more so than any other State, but we've placed
24 a dent in that.

25 Given more resources, we have the opportunity, I

1 think, to catch up and create a system that is workable
2 and helps to facilitate commerce.

3 Another thing that I'd offer up that's been also
4 beneficial to community investment is a program, a pilot
5 program, that PennDOT has created called the Community
6 Transportation Initiative, a strategic investment program
7 that links land use decisions made at the local level with
8 transportation investments.

9 You'll see examples across the Commonwealth, but
10 I'll offer you a couple. One is in Beaver County and
11 Rochester where the Beaver County Transit Authority has
12 worked with PennDOT and the local Borough of Rochester to
13 create a round-about to help facilitate thru-traffic
14 through the community of Rochester as well as to link up
15 with the transit station and links together with its Main
16 Street and Elm Street program offered by the Department of
17 Community Economic Development.

18 REPRESENTATIVE PYLE: In Beaver County?

19 MR. ERVIN: In Beaver County, correct.

20 REPRESENTATIVE PYLE: I wanted to be clear on that,
21 thank you.

22 MR. ERVIN: Another great example of the community
23 transportation initiative here in western Pennsylvania is
24 Point Park University where in the heart of downtown
25 Pittsburgh, they've linked together a program that they

1 have created called their academic village, which is the
2 creation of a campus along the Boulevard of the Allies and
3 Wood Street.

4 The Community Transportation Initiative is focusing
5 on the rebuilding or the reconstruction of the Boulevard
6 of the Allies and Wood Street, so by providing better
7 pedestrian access and safety amenities as well the
8 facilitation of auto and other pedestrian access.

9 REPRESENTATIVE PYLE: Thank you very much.

10 MR. ERVIN: Thank you.

11 REPRESENTATIVE MARKOSEK: Thank you very much.
12 Representative Sturla?

13 REPRESENTATIVE STURLA: Mr. Ervin, you talk about
14 the need for \$3.5 billion dollars and that's each year,
15 and I know you said that it should be from a variety of
16 sources, but I think people always go, well, okay, so if
17 we did a, you know, 5 cent gas tax and we doubled the cost
18 of motor license or, you know, registration fees.

19 Can you give us, just so the people understand the
20 magnitude of this, if we were just to do a gas tax
21 increase to do the \$3.5 billion, how much would we need to
22 raise the gas tax per gallon?

23 MR. ERVIN: Alot more than the public would
24 probably be willing to accept.

25 REPRESENTATIVE STURLA: I understand that, but do

1 you know what the number is?

2 MR. ERVIN: I believe the number is between 10 and
3 18 cents.

4 REPRESENTATIVE STURLA: No, I think it's closer to
5 50 or 60 cents a gallon, and the only reason I say that is
6 because I think people need to understand the magnitude of
7 the problem we have here. That I know.

8 For instance, it was pointed out with Chamber and
9 they said they would settle for 8 cents a gallon, and
10 that's about one-sixth of the way there or one-seventh of
11 the way there.

12 And I'm not sure what I'm looking for -- and I
13 appreciate the fact that you said we need to do a
14 multitude of things -- what I'm looking for from the
15 testifiers is how we get to that equivalent of 50 cents a
16 gallon because I don't think we can do 50 cents a gallon,
17 but I'm trying to figure out how we get to a point where
18 we can do the right projects.

19 And in terms of your comments about the right
20 projects, would you agree that it might behoove us to do a
21 cost benefit analysis on projects so that we could see
22 whether in fact we were actually getting anything back for
23 our investment?

24 MR. ERVIN: Yes, we would agree with that, yes, and
25 I think there's two things:

1 I think with regard to the funding question, the
2 Transportation Advisory Committee recommends several of
3 what I'll call big bang or big opportunity levies
4 including the moving of the State Police funding to the
5 General Fund, which is a general benefit that all
6 Pennsylvanians experience. However, it's currently
7 financed by what some folks might consider a
8 transportation resource. That would get us north of 500
9 plus million, 550, 575 million dollars right there.
10 Likewise, adding an additional or reducing the ceiling
11 with the oil company gas and franchise tax also creates
12 another major source of revenue.

13 And then having the opportunity, I think, to work
14 around the margins so to speak and some other items such
15 as the motor license or motor vehicle registration or
16 emission stickers can be used in increments to get, you
17 know, other pieces to the equation.

18 Just by raising the vehicle registration fund from
19 \$36 to \$40 spreads alot of, you know, not alot of revenue,
20 but spreads it out across all users.

21 In terms of targeting projects, I think inside of
22 the TIPs in the region and the State TIPs, there's alot of
23 opportunity in which we can allocate resources more
24 efficiently, so by looking at where the State is spending
25 other resources, whether it's through the Department of

1 Environmental Protection or the Community and Economic
2 Development or the Commonwealth Finance Agency, where are
3 we marshalling our other resources and how does
4 transportation leverage those projects as well?

5 REPRESENTATIVE STURLA: Just one comment. I would
6 agree with you on the Pennsylvania State Police funding
7 out of the Motor License Fund although the one part I
8 would disagree with you on is it doesn't benefit all
9 Pennsylvanians because we already fund about half of the
10 State Police budget out of the General Fund. The half
11 that we fund out of the Motor License Fund only goes to
12 road patrols in areas that don't have a local police
13 department, so only 20 per cent of the State's population
14 actually benefits from that half billion dollar a year
15 line item.

16 MR. ERVIN: You're correct.

17 REPRESENTATIVE STURLA: Thank you.

18 REPRESENTATIVE MARKOSEK: Okay, Representative
19 Kathy Rapp.

20 REPRESENTATIVE RAPP: Thank you, Mr. Chairman, and
21 thank you for being here, Mr. Ervin.

22 REPRESENTATIVE MARKOSEK: Speak into the mike,
23 Kathy.

24 REPRESENTATIVE RAPP: Pardon me?

25 REPRESENTATIVE MARKOSEK: Speak into the mike.

1 REPRESENTATIVE RAPP: You stated that you
2 would, I'm assuming, support the gas tax and increases for
3 registration. With the gas tax, then you would also be
4 supportive of raising the fares for Pennsylvanians to use
5 mass transit.

6 MR. ERVIN: I think one of the things that's been
7 beneficial through the Act 44 process is that the State
8 took alot of positive steps in terms of recognizing how to
9 structure a transportation financing system that is able
10 to both raise revenue but also create awareness around how
11 to operate systems better.

12 You know, while it's much maligned, I point to the
13 Port Authority of Allegheny County, for example, who has
14 raised fares, who has streamlined their system, still has
15 structural problems related to decisions made, you know,
16 in years past, but they have raised fees and they have
17 achieved greater ridership numbers.

18 REPRESENTATIVE RAPP: So you would be in favor of
19 that as well?

20 MR. ERVIN: I think in terms of both drivers and in
21 terms of mass transit users, there's a user fee that
22 should be assessed to all users of the system.

23 I mean, the thing about transportation is it's not
24 a free service, so what we have to figure out as users and
25 as the Commonwealth is what's the right level of

1 investment for the system that we want to have?

2 A high level system of transportation is a great
3 economic generator and it's an investment in ourselves.

4 REPRESENTATIVE RAPP: Can you give me a yes or no
5 answer?

6 MR. ERVIN: Yes.

7 REPRESENTATIVE RAPP: Thank you, and thank you, Mr.
8 Chairman.

9 REPRESENTATIVE MARKOSEK: Mr. Ervin, thank
10 you very much.

11 MR. ERVIN: It was a yes, too, yes.

12 REPRESENTATIVE MARKOSEK: Okay, I wanted to move
13 things along a little bit here.

14 The next person is Mr. Steven Bloser from the
15 Center for Dirt & Gravel Roads, Pennsylvania State
16 University, and I'd like to have the Southwestern
17 Pennsylvania Commission with Mr. Rod Ruddock, and also the
18 International Union of Operating Engineers with Mr. James
19 Kunz, and I'd like them to all come up now.

20 Each of them will still get the 5 minutes, but
21 we'll save some of the congestion in getting people up and
22 down from the stage, if they could do that, please.

23 You're Mr. Bloser?

24 MR. BLOSER: Yes.

25 REPRESENTATIVE MARKOSEK: Okay, Mr. Bloser, you

1 have 5 minutes, sir.

2 MR. BLOSER: My name is Steve Bloser and we need
3 more money!

4 My name is Steve Bloser and I'm with Penn State
5 University. I'm here today not on behalf of the
6 University but on behalf of perhaps the most efficient and
7 successful publicly funded transportation program in the
8 State that you've probably never heard of, the Dirt and
9 Gravel Road Maintenance Program.

10 I'd also like to point out that I'm going to
11 briefly skim through this, and I thought I had 10 minutes
12 when I got here this morning, and so I'll just hit the
13 highlights, so I encourage you to read the written
14 testimony.

15 The Dirt and Gravel Road Maintenance Program was
16 established in 1997 to implement environmentally sound
17 maintenance strategies on unpaved roads. Today in 2010,
18 Pennsylvania still has over 20,000 miles of unpaved public
19 roads. These are owned by municipalities, State forests,
20 gamelands, that kind of thing.

21 The idea of the program is to put environmentally
22 sound maintenance practices on these roads to try to
23 reduce the amount of sediment pollution coming from the
24 roads and also to have a more, improve the roads and have
25 a longer last, less maintenance road. In short, the

1 purpose of the program is to create a more environmentally
2 and economically sustainable rural road system.

3 Each year since 1997, the program received \$5
4 million, and I want to speak to the \$4 million of that
5 that goes towards Pennsylvania's municipalities today.

6 The structure of the program is housed under the PA
7 Department of Agriculture under the State Conservation
8 Commission. It's run at the County level through
9 Pennsylvania network of 65 out of 67 Soil and Water
10 Conservation Districts and local municipalities and
11 applied to the Conservation District for funding.

12 One of the things that made the program unique is
13 that it really is about local control, putting power in
14 the hands of the County and the Township, and using things
15 like education and quality control efforts to make sure
16 that what they're doing meets the program guidelines.

17 We'll take a quick minute to talk about the kind of
18 projects we're actually putting on the ground. To date
19 we have 2,000 projects that you see there put on the
20 ground.

21 Project lengths vary for more than a mile to less
22 than 100 feet. They'll average the length of about 2500
23 feet. In 2009, the average cost was \$22,000 per site.

24 The program established an inventory of over 17,000
25 additional sites where public, unpaved roads are affecting

1 water quality and they're called work sites.

2 So what is actually put on the ground of these
3 sites? One of the biggest things we advocate is drainage
4 disconnection, try to disconnect the rural stormwater
5 system and try to disperse water and encourage
6 infiltration.

7 One of the simplest things to do is add culverts.
8 The program has added over 6,500 crosspipes or culverts
9 under the roads of Pennsylvania.

10 Pipes are just the beginning though. There are
11 thoughts of other practices such as filling the road to
12 get rid of ditches altogether to eliminate and concentrate
13 on drainage and give the municipality a better road.

14 I wish I had more time. We have many, many
15 practices and we have entire two-day training full of
16 practices, so I'm just going to skip over that for
17 now.

18 One quick note though, the program does not pay for
19 paving roads, and we are about creating a more
20 sustainable, rural road in the infrastructure system, not
21 necessarily paving them because the municipalities can't
22 afford to keep maintaining that pavement.

23 The Dirt and Gravel Road Program is fairly
24 efficient. Speaking for the \$4 million that goes to
25 Conservation Districts, over \$3 million or three-quarters

1 of that is used to pay directly for on-the-ground projects
2 in the form of materials, equipment and labor.

3 In addition to that, the program also averages 37
4 cents on the dollar of in-kind money from municipalities
5 even though no in-kind is required, which means the Dirt
6 and Gravel Road Maintenance Program receives \$4 million a
7 year and puts \$4.1 million per year on the ground in the
8 form of materials, equipment, and labor.

9 So why am I here? I'm here because the Dirt and
10 Gravel Road Program is in danger of being marginalized as
11 the value of its annual \$5 million allocation continues to
12 erode since 1997. The program has alot more work to do.

13 About 11 per cent of the 17,000 identified
14 pollution sites have been addressed for the past 13 years.
15 At the current rate of funding, the program will never
16 have enough money to address the currently identified
17 sites, not to mention readdressing sites as they age.

18 So I am here to ask you to consider additional
19 funding for the Dirt and Gravel Road Maintenance Program.
20 There's some scenarios if it was increased to \$10 million
21 to \$15 million per year on the work sites to be addressed.
22 Again, it doesn't account for re-addressing completed
23 sites.

24 I also would like to talk about the Marcellus
25 impact because it's having a large impact on our rural

1 road system, and I'm going to skip over that for now
2 because of time.

3 One of the things I do want to say is I realize
4 that compared to many of the other funding requests you
5 hear and compared to any transportation funding packets, I
6 realize that we're small potatoes at \$5 million, but
7 hopefully I've illustrated how the program has taken that
8 small allocation and put it to the best possible use.

9 I'd like to summarize by just saying, who benefits
10 from this? Conservation Districts benefit, rural
11 municipalities benefit, and they're the ones that are
12 actually learning and putting these things on the ground
13 and getting their problem sites fixed.

14 Alot of what we focus on is roads they've had
15 problems with because of washouts for whatever reason.
16 Road users benefit whether it's public or private. Local
17 businesses benefit and buy alot of limestone from
18 quarries, alot of pipes, alot of fabric as you can see
19 there and use alot of local contractors.

20 And lastly, the Pennsylvania's streams and the
21 public benefits. And on a final note, I would like to
22 say, don't take my word for it. Ask your local County
23 Conservation District, ask a local rural township in your
24 District, and see how the program is working for them.

25 Thank you.

1 REPRESENTATIVE MARKOSEK: Thank you. Chairman
2 Sturla?

3 REPRESENTATIVE STURLA: Just one comment. As an
4 urban legislator, this is probably one of the most cost
5 effective programs that there is and I actually think that
6 it should be used as a model of what we should do with
7 about 20,000 miles worth of paved roads in the State of
8 Pennsylvania.

9 These are controlled locally. They're done in a
10 cost effective way where the locals actually understand
11 what needs to be done, when and how and where, and do it
12 at a cheaper price than we can running it as part of the
13 State system, and I think that there's about 20,000 miles
14 of roads that are paved that have less than 2,000 cars a
15 day. If we have a similar system where we work with the
16 locals to do the maintenance on those roads, I think we
17 can be much more cost effective in the way we do those
18 roads, so I commend your topic and program, and here's one
19 urban legislator you can count on for support for that.

20 MR. BLOSER: Thank you.

21 REPRESENTATIVE MARKOSEK: Okay, thank you very
22 much.

23 Next, we have Mr. Rod Ruddock from the SPC,
24 Southwestern Pennsylvania Commission, and Rod, thank you
25 for driving up here today to the northwest.

1 MR. RUDDOCK: Thank you very much. Good
2 afternoon. As stated, I am Rod Ruddock, Chairman of the
3 Indiana County Commissioners and also Vice Chairman of the
4 Southwestern Pennsylvania Commission.

5 The State Transportation Advisory Committee Funding
6 Study, May 2010, did an excellent job, I believe, on
7 detailing the extensive maintenance of needs of roads and
8 bridges for our backlog of transportation concerns.

9 Our focus, of course, falls upon the shoulders of
10 Districts 10, 11, and 12 and our transit partners. I
11 might add that transit agencies also have a bridge problem
12 -- PennDOT and locally owned bridges in Allegheny County,
13 for instance, the Port of Allegheny County owns and
14 maintains 80 bridges, many of which are major structures
15 and more than half of them over 40 years of age, 50 years
16 of age.

17 And we also want to say that other programs that we
18 have accountability for as an SPC are the State Rail
19 Freight Assistance Program, and we want to recognize the
20 contributions and support that the Commonwealth continues
21 to provide to that important program.

22 Keep in mind that the rail system is integral to
23 the Southwestern Pennsylvania Commission in terms of its
24 economic move, high volumes of freight, which lessens
25 highway congestion and saves roads from additional wear

1 and tear.

2 On a personal note, personally, I think we gave up
3 way too soon on transit rail movement in our cross country
4 transportation.

5 As we all know, there is a serious funding gap. It
6 shouldn't be a surprise to anyone. It didn't happen
7 overnight and will not be solved overnight. The money
8 that is currently provided falls woefully short of our
9 needs.

10 Multiple attempts have been made to close the
11 funding gap, but until the State or Federal Governments
12 agree on a sizable revenue increase, the backload of
13 deficiencies will continue to grow. More simply put, past
14 revenue measures have not measured up.

15 We seem to be doing an excellent job on good
16 highways and keeping them in good condition. Preservation
17 work is working. However, the other key funding
18 priorities are not being met. Significantly more money is
19 required each year just to stay even with the aging and
20 crumbling roads, bridges, buses, and transit facilities,
21 but the biggest need of all is addressing the backload of
22 deficient roads and bridges, the ones that we patched
23 instead of rebuilding because there wasn't enough money at
24 this time.

25 Estimates show that preservation needs for bridges

1 and roads in the SPC region are about \$232 million
2 annually. Rebuilding facilities that wear out each year
3 is another \$276 million, and that's \$508 million annually.
4 We get an average of about \$450 million a year. That's
5 just to fall short of our expectation to manage those
6 roads.

7 We actually have about another \$402 million a year
8 on top of all of that for those roads and bridges that are
9 not being supported in long-range upgrades.

10 Attacking this accumulated maintenance burden with
11 a budget that is short on resources compromises each of
12 these three maintenance areas and leads to faulty
13 outcomes. When preservation is short changed, roads and
14 bridges deteriorate sooner than their design life, but let
15 us also not forget that we need to address our need for
16 new construction. This would extend to growing
17 congestion, safety improvements, county and municipal
18 roads and bridges, and traffic upgrades just to name a
19 few.

20 The TAC report, and I have to be careful going into
21 this because I know alot of questions are coming up about
22 how do we pay for all of this.

23 The point is that there are many opportunities. I
24 think the TAC report did a great job in identifying the
25 high yield/low yield cost opportunities out there. You

1 know, you fall, and it seems reasonable to do gas sharing,
2 revenue sharing, but maybe we need to revisit the tolling
3 plan. Maybe that's part of the whole process.

4 The key here to the whole process though is, the
5 key here is that we have to justify what we do. In
6 supporting revenue increases, we all know that most people
7 don't distinguish who owns a particular road or bridge.
8 They just want to know what are being maintained
9 responsibly and in the most efficient way possible, and I
10 might say this -- and I'm going to go right to the end
11 because this is an important comment and I know that my
12 time is getting short.

13 As a rural County Commissioner, we must find a way
14 to increase the liquid fuel allocation to our townships
15 and boroughs. Local roads and bridges provide
16 transportation links for our employed to travel often
17 across county boundaries to seek and maintain quality
18 jobs. The local roads and bridges they travel are
19 seriously deficient.

20 When it becomes necessary for the State to call
21 upon the public to increase their tax or other proposed
22 revenues, we must keep in mind that this is a community
23 sector which will be judging our effort on the basis of
24 improvements to local roads, local bridges, as well as
25 State owned and low bridges.

1 Thank you.

2 REPRESENTATIVE MARKOSEK: Thank you, Commissioner,
3 and I appreciate that and I know that Chairman Geist and I
4 are on the same line, that anything we do, we have to
5 include the locals. You know, we have not given them
6 enough money over the years and we need to do that.

7 But let me just ask you kind of elected official to
8 elected official here.

9 MR. RUDDOCK: Okay.

10 REPRESENTATIVE MARKOSEK: You know, we're all in
11 the political cauldron together, at least you and I and
12 the rest of us here on the panel, and getting this money,
13 you know, I mean, we can hear all the testimony we want
14 about all the needs and everything, but of course, to
15 actually raise this money, somebody is going to have to
16 put up some votes somewhere, and some of those votes are
17 going to be very difficult in a very difficult, political
18 and economic year.

19 You're an elected official. What kind of support
20 are you willing to give your State elected officials, your
21 State House member, your State Senator, relative to them
22 making some very, very difficult, tough votes, perhaps
23 having to vote to raise fees, taxes, whatever? What kind
24 of political help do you think, you know, you and your
25 County Commissioners are able to supply to us and to your

1 local State House and Senate members?

2 MR. RUDDOCK: Well, I can say for Indiana County
3 specifically where I'm elected, we have a great team of
4 legislators who are there, and one of them
5 representatives, Jeff Pyle is here, Sam Smith, Dave Reed,
6 and Senator Don White.

7 What is key is that we have to be on the same sheet
8 of music. If we all believe in a particular direction
9 that we need to take, we have always sat down, discussed
10 it, and supported each other. We may not always believe
11 in each other's plans, but we support each other's intent,
12 and that's really critical, I think, to sell product to
13 the State of Pennsylvania. If we believe in it, we have
14 to collectively sell it and collectively support it.

15 Would I personally? I would support my legislative
16 team if that's the direction they wanted to go.

17 REPRESENTATIVE MARKOSEK: You would do that
18 publicly?

19 MR. RUDDOCK: Absolutely.

20 REPRESENTATIVE PYLE: Good answer!

21 REPRESENTATIVE MARKOSEK: Thank you, Commissioner
22 Ruddock.

23 Our good friend, Jim Kunz, from the International
24 Union of Operating Engineers, Local 66, from my area
25 located in Monroeville.

1 MR. KUNZ: Not anymore actually. I'm in Pittsburgh
2 now. Remember, we moved?

3 REPRESENTATIVE MARKOSEK: That's right. You're
4 social climbing now. Thanks for driving up here today.

5 MR. KUNZ: No problem.

6 REPRESENTATIVE MARKOSEK: And we do appreciate
7 it.

8 MR. KUNZ: Chairman Markosek, members of the House
9 Transportation Committee, my name is James Kunz, Jr. I'm
10 a business manager of the International Union of Operating
11 Engineers, Local 66, representing about 7,000 men and
12 women in 33 Pennsylvania counties in the construction,
13 pipeline, utility and heavy equipment service industries
14 here in Pennsylvania.

15 They use Pennsylvania roads and bridges to travel
16 to work and play. They depend on bridge, highway, and
17 other construction for their jobs. My members are
18 taxpaying, voting Pennsylvania residents who are willing
19 to work hard to create the best economic environments for
20 Pennsylvania.

21 I am here today to speak in support of dedicated
22 funding sources to not only fill the \$472 million funding
23 shortfall that resulted with the failure to toll I-80 but
24 to also generate the long-term funding needed to both
25 maintain Pennsylvania's deteriorating transportation

1 infrastructure and also increase its capacity to meet
2 future needs.

3 We will support increasing the gasoline tax,
4 increasing the cap on the oil franchise tax, increasing
5 vehicle registration and driver's license fees, the use of
6 State bonds, the revisiting of the tolling of
7 Pennsylvania's Interstate highways or any combination of
8 these proposals. We are also open to other suggestions.

9 We are not opposed to the privatization of
10 Pennsylvania roads or bridges or to other public/private
11 partnerships, but we are concerned about the details.

12 Many questions need to be answered. Will a lease
13 result in diminished resources to the public? What effect
14 will the lease have on current public employees? Is
15 foreign control of a public asset wise? And what
16 safeguards can be put in place to maintain transparency
17 and accountability in toll road operations to name a
18 few?

19 At several of the hearings, a few have recommended
20 the elimination of State prevailing wages on public
21 projects to reduce the cost. We believe this would not
22 deliver the suggested savings but would in fact have a
23 negative effect.

24 Pennsylvania's State prevailing Wage Act is the
25 easiest way to guarantee that these State funded

1 construction projects employ Pennsylvania taxpayers.
2 There is no incentive for a contractor to use out-of-State
3 workers or illegal aliens to perform this work when he has
4 to pay the prevailing wage, that is, the rate of pay most
5 commonly paid in the State for this type of work.

6 We believe that eliminating the State prevailing
7 wage would result in a dramatic increase in the use of
8 out-of-State and illegal workers in Pennsylvania.

9 Out-of-State workers do not pay Pennsylvania State
10 income taxes but instead that money goes to another State.
11 Illegal workers pay none. In addition, transient workers
12 do not buy houses here, cars or make other major
13 purchases. In fact they spend little of their disposable
14 income when traveling but instead send that money home.
15 Again, the State as well as local communities lose.

16 A 2006 study showed that the elimination of
17 prevailing wages in Minnesota would cut income tax and
18 sales tax to the State. Other studies have shown that in
19 States that have repealed prevailing wage laws workers'
20 access to health insurance drops by 79 per cent and injury
21 rates increase by as much as 14 per cent. These costs
22 would be shifted to Pennsylvania taxpayers.

23 When you look at these dollars needed to maintain
24 and improve Pennsylvania's transportation infrastructure,
25 we see a huge cost.

1 We need to see it as an investment in Pennsylvania
2 that will produce a steady return for Pennsylvanians. It
3 is jobs for Pennsylvanians, both construction and
4 permanent. It is a reduction in traffic congestion that
5 would allow Pennsylvanians to travel to work or to shop
6 with ease and allow Pennsylvania goods to get to customers
7 quickly and at a reasonable cost.

8 Better roads and bridges lead to reduced
9 transportation costs that will give Pennsylvania business
10 an edge in competing in the global marketplace. The good
11 jobs that result from investing in our transportation
12 infrastructure and the economic development that follows
13 allow Pennsylvania workers to give back to the State and
14 their communities through increased spending, taxes, and
15 community involvement. Everyone wins.

16 You are faced with the daunting task of identifying
17 a responsible course of action and determine how to fund
18 our future transportation needs. No one likes to pay
19 more, but doing nothing now will only cost the State
20 significantly more later. We need to invest in
21 Pennsylvania's future and we need to invest now.

22 Thank you.

23 REPRESENTATIVE MARKOSEK: Thank you, perfect
24 timing. Representative Roae?

25 REPRESENTATIVE ROAE: Thank you, Mr. Chairman.

1 There has been alot of research, alot of different studies
2 regarding the prevailing wage, and those studies usually
3 indicate 10 per cent, 20 per cent, 30 per cent of the cost
4 can be saved with that prevailing wage. It is about
5 concern about out-of-State workers.

6 But what if we passed a law that basically, you
7 know, did away with the prevailing wage, but you had to
8 hire Pennsylvania workers for on those construction
9 sites?

10 MR. KUNZ: I can give you at least 50 studies that
11 show exactly the opposite, which is significantly more
12 than those used to use this 30 per cent, which is sort of
13 a number pulled out of the sky.

14 If you look at a typical road -- and actually, some
15 of those studies were based on building homes, which are a
16 bit more labor intensive and have lower material costs in
17 the construction.

18 When you look at road and bridge construction and
19 you look at the total cost and that of labor in relation
20 to the materials, the fuel, the equipment costs, et
21 cetera, and then what you have to look at is what is the
22 prevailing wage, what would the wage go to with the
23 elimination of prevailing wage, what's the difference in
24 those two wages, and you'll find in reality that that's
25 probably only about a one per cent savings in the project,

1 where you would have that increased cost as we have shown
2 where employees go without health care that gets passed on
3 to State and any number of other costs.

4 We believe in the long run that it would cost the
5 State of Pennsylvania more money as a State if you don't
6 have prevailing wages.

7 REPRESENTATIVE ROAE: Well, with all due respect, I
8 think there is alot of research that shows that prevailing
9 wage actually increases the cost.

10 You are correct that there is also research that
11 shows it decreases. I guess you have to look at who is
12 funding the studies. I'm sure some of the studies on both
13 sides are probably biased to come up with an answer that
14 people are looking for, but I think it's important as we
15 look at things that we look at all possible angles.

16 I know that alot of local governments are
17 concerned. They used to be able to do road maintenance,
18 you know, like throw in some sealer on the road or throw
19 in a thin layer of blacktop on top of an existing road.
20 They used to be able to just do that.

21 Well, now that's considered construction and they
22 have to do prevailing wage now. That's added to the cost
23 of alot of local townships. The same guys are still doing
24 the work, the same companies, but now it's a higher cost
25 so I don't know, you know.

1 There's already evidence that prevailing wage costs
2 more on some projects. I just think that it's something
3 we have to look at. We have to either increase the limit
4 of what projects qualify for prevailing wage, adjustment
5 for inflation, completely eliminating it, and maybe doing
6 a trial period. Go one year and have a one-year
7 moratorium on it and see, does it save money or does it
8 cost money?

9 Would you actually be willing to look at any of
10 those things?

11 MR. KUNZ: Well, I'm willing to look at anything,
12 but I would respectfully disagree with some of the studies
13 you're using, and I would ask you to take a look at an
14 evaluation of prevailing wage in Minnesota, which is one
15 of the more recent studies from 2006 by a Dr. Lisa Jordan,
16 and actually, the firm that did the study came out of
17 North Carolina, and it was an independent study paid for
18 by the State of Minnesota when they looked at whether they
19 should eliminate the prevailing wage, which they decided
20 not to do after this study was taken.

21 So I mean, we could probably throw studies back and
22 forth all day. I think sometimes it's philosophical, but
23 we think that based on all the studies that I have looked
24 at -- and I'd be more than happy to get you a list of
25 those -- that the cost to the State in the long term will

1 be significantly higher than the initial savings, what
2 initial savings occur by the elimination of prevailing
3 wage.

4 REPRESENTATIVE ROAE: Well, we could go on all day
5 talking about this, but we're going to have to agree to
6 disagree, I think. Thank you, sir.

7 MR. KUNZ: Thank you.

8 REPRESENTATIVE MARKOSEK: Thank you.
9 Representative Sturla?

10 REPRESENTATIVE STURLA: Just one quick question on
11 the issue of prevailing wage.

12 What percentage of a job is typically materials
13 versus labor?

14 MR. KUNZ: It depends upon the type of jobs, but
15 oftentimes, the actual labor cost might be 15 to 20, maybe
16 30 per cent, and that's the total cost of labor on a
17 construction job, which is roads and bridges, and therein
18 lies the rub.

19 You would have to eliminate the entire wage package
20 in order to get to a 30 per cent savings on that job
21 because steel, on a bridge, steel, the costs are driven
22 by steel and concrete and alot of other factors, not
23 labor.

24 REPRESENTATIVE STURLA: Thank you.

25 REPRESENTATIVE MARKOSEK: Okay, gentlemen, thank

1 you, all three of you, very good.

2 Okay, we'll get the next group here: Mr. Fred
3 Harding, who is a volunteer with AARP, and our good
4 friend, Tom Bice, came up from URS Corporation today, and
5 the Clarion County Economic Development Corporation with
6 Bill Henry.

7 MR. HARDING: If I go first, I'm going to be very
8 brief.

9 REPRESENTATIVE MARKOSEK: Okay, Mr. Harding, you
10 have five minutes.

11 MR. HARDING: Five minutes, all right. You said
12 you all have this copy, right?

13 REPRESENTATIVE MARKOSEK: Right.

14 MR. HARDING: So there's no sense in me trying to
15 read it through my bifocals, right?

16 REPRESENTATIVE MARKOSEK: Yes, we will agree with
17 that.

18 MR. HARDING: Let me tell you my story on roads.
19 In 19 -- I guess it would have been '20 some, I saw the
20 first road paved in Lawrence County. It was Route 18.
21 Before that, we had mud roads and we had stone roads and
22 we had macadem roads.

23 I went to the World's Fair in 1938 and I went to
24 this magnificent thing of showing me the roads of the
25 future. They have off ramps and on ramps, and I said,

1 nobody would be able to do it, but it's changed. You've
2 changed it so much, and it's such a necessity to us, to
3 older people.

4 And I'll represent that I heard somebody say about
5 10,000 or something. I'm representing a million, 900
6 thousand, and we're not asking for anything. We're asking
7 you in your conviction to take into consideration some of
8 the problems that elderly people face.

9 And admit it. Most of them is trying to live in
10 their own home rather than go to a nursing home or
11 assisted living home, and we've been pushing that because
12 they're more comfortable. However, in the past 50 years,
13 they moved out of the cities and now they're suburbanites.
14 Now you got old, old suburbanites, and they need cars and
15 they're too old to drive. I have my driver sitting over
16 there because I slept on the way up.

17 The point I'm trying to make is it's very, very
18 important that we find some type of public transit for
19 these people that live in the county that don't have
20 anything and they can't get anywhere.

21 If I want to go to a store, I have to call a taxi
22 or I have to drive. Now they don't want me on the road
23 today because I'm 91 and I'm a little shaky, but the point
24 I'm trying to make is this is important to seniors, and
25 you'll be a senior some day, remember this, and you'll

1 have the same problem.

2 I know you have big time, hard time road problems.
3 They're beautiful, beautiful highways. Hey, you know,
4 some deteriorate a little bit, but when you're taking into
5 consideration setting up a program, I would please hope
6 that you would look at a way that you could get more fast
7 moving -- what do I want to say -- where people can catch
8 a bus or catch a trolley or something within maybe 5
9 minutes or a 5-minute walk from where they live.

10 That's what we want to see and that's very, very
11 hard because I don't think you have the money for that
12 kind of a program, but keep it in mind when you're
13 planning your future, too, because with the aging
14 population, it's really getting bigger, and if you take a
15 look at the aging population in that note or on those
16 forms there, it's outrageous. We'll have one of the
17 largest -- what is it -- somewhere around 40 per cent in
18 2020 will be over 65. Do you realize that? When you go
19 over 65, you move pretty fast towards 90, I'm telling you.
20 I'm dead serious.

21 What I would like to make sure that you understand
22 on that proposal is we can't give you anything. We have
23 to ask you to take this into consideration when you're
24 doing your overall planning to think of the senior
25 population. It's very, very important and I can't say

1 anything more about it.

2 I'll answer any questions you have.

3 REPRESENTATIVE MARKOSEK: You did wonderful. Out
4 of all the hearings we've had, I don't know that we've had
5 as good a hearing or as good of testimony as yours. It
6 was wonderful, so I appreciate that.

7 Any questions from anybody?

8 (No response)

9 Okay, thank you. You can just stay there for a
10 bit, sir, and we'll listen to Mr. Bill Henry from the
11 Clarion County Economic Development Corporation.

12 MR. HENRY: I'll defer to John Stroup.

13 REPRESENTATIVE MARKOSEK: Okay, John Stroup, you're
14 going to fill in?

15 MR. STROUP: Yes.

16 REPRESENTATIVE MARKOSEK: You're with the Clarion
17 Area Chamber of Business & Industry and becoming close
18 to my favorite Chamber, not quite, with Monroeville and
19 --

20 MR. STROUP: I will try to be brief and stay on
21 course on some of this, but I do appreciate the House
22 Transportation Committee and Policy Committees for
23 holding this hearing and allowing Clarion to voice their
24 opinion. Obviously, you've been here a couple times and
25 it's a good thing.

1 You are correct that inaction is not acceptable,
2 but also we know that what has happened in the last 3
3 years is probably not acceptable either. We knew that
4 Interstate, the tolling proposal set forth by the Turnpike
5 Commission, did not follow Federal regulations and that's
6 what we're saying, and all along the last couple years,
7 there's no Plan B or this is Plan B. Well, that's behind
8 us now. We've got to move forward.

9 There's no doubt that the people here had been
10 steadfast in it, and I must commend the Committee and the
11 leadership, Mr. Markosek and Mr. Geist, for listening to
12 the citizens today. The hearing is important and for the
13 first time, we can be heard as a voice.

14 Various meetings we talked about, and you have my
15 information there, and we talked about it before, but the
16 biggest thing was the December 2008 meeting that you were
17 here, Mr. Markosek, that we talked about some of the
18 alternatives.

19 I do have the disk of that meeting. I know that
20 our Representative, Donna Oberlander, did give it to you.
21 Hopefully, you can review it so I don't have to go into it
22 today, some of the ideas that they had there.

23 We had also had a meeting in 2007 about the
24 Turnpike Commission. They came to us when they first
25 introduced this proposal, and they told us that they were

1 going to go ahead and do a study to show what the economic
2 impact was. Well, that never happened, never saw
3 anything, so we actually commissioned the study ourselves
4 and we did see that it had a large impact on us.

5 Also, the other study that has to be mentioned is
6 the 2006 Governor's Transportation Funding & Reform
7 Commission report that talked about what was going on,
8 what were some of the options. Tolling Interstate 80 was
9 not one of the options, so keep that in mind that those
10 were some of the things.

11 Along the way, most of the arguments that were
12 being made about 80, and we've heard today, is that it's
13 got to pay for itself. Well, through apportionments, we
14 estimate, we see roughly 130 million to 240 million
15 historically have come back to the State coffers through
16 this apportionment, that 240 million have come back to the
17 State coffers on this, and roughly, historically again,
18 we've only spent \$80 million on maintenance of Interstate
19 80, and those are coming actually from PennDOT's own
20 budgets and stuff, so there are things that we see that we
21 are paying for. It's paying for itself. Now what do we
22 do with the side roads and everything else? That's a
23 whole different story.

24 We do know -- I bring a simple message to the
25 Committee today. We must examine how highway funds are

1 actually being allocated. Recent media accounts have
2 shown the remorse by SEPTA and PAT over the Federal
3 rejection of I-80 tolling, so obviously, we know the
4 tolling was directly or indirectly tied to those fundings,
5 so that has to be looked at.

6 Do not get me wrong. The Commonwealth needs
7 transit. Without it, the economy would slow, but the
8 legislature must find ways of making transit sustainable.
9 Additionally, full and transparent revenue sources and
10 expenses must be delineated in this year's budget.

11 Other ideas will be presented and have been
12 presented today, but I hope that lawmakers will consider
13 that they need to repeal Act 44. As long as Act 44 is
14 still law, there will be problems meeting its funding
15 obligations.

16 Mr. Chairman, if I can leave you this, with one
17 message today, and it is the message that I-80 tolling
18 should no longer be part of the equation. The region has
19 spoken and the Federal Government has spoken on numerous
20 occasions. A regional band-aid is not a Commonwealth-wide
21 solution.

22 This is your job and I wish you luck in solving it.
23 Thank you very much.

24 REPRESENTATIVE MARKOSEK: Okay, thank you.
25 Representative Carroll?

1 REPRESENTATIVE CARROLL: Thank you, Mr. Chairman,
2 and it's crystal clear to me that the Clarion Area Chamber
3 of Commerce opposes the tolling of 80. What is less clear
4 to me is whether or not the Clarion Chamber supports
5 additional funding sources, and I did not see the disk in
6 the presentation.

7 Can you share with me the Clarion Chamber's
8 position with respect to a gas tax increase?

9 MR. STROUP: We have talked about different revenue
10 sources and it's not a matter of us agreeing with -- I'm
11 not going to speak for the Chamber, and I know the
12 Pennsylvania Chamber has talked about it and we talked
13 about it the other day, they've endorsed it, yes, so we
14 have not put forth an endorsement of it. We know there's
15 got to be something done, and so if that's part of it,
16 that's going to have to be part of it.

17 REPRESENTATIVE CARROLL: Let me phrase the question
18 differently then. Does the Clarion Chamber oppose a gas
19 tax increase?

20 MR. STROUP: No.

21 REPRESENTATIVE CARROLL: Secondly, you mentioned a
22 repeal of Act 44. Does that suggest then that you are
23 eager to have the Turnpike fees reduced to their pre-Act
24 44 limits or amounts?

25 MR. STROUP: I don't know. I really haven't

1 thought of that position.

2 REPRESENTATIVE CARROLL: Well, the Turnpike fees
3 were increased 25 per cent the first year and 3 per cent
4 each subsequent year, and those funds do find a way back
5 to counties like Clarion, Monroe, and Luzerne, and I
6 represent the latter two.

7 So if we were to repeal Act 44 in its entirety,
8 then would we even have a greater role to fill?

9 MR. STROUP: I have seen the Turnpike Commission in
10 the past raise these with or without Act 44s. They've
11 always had that ability to do it without the Act also and
12 plus the fees, you know, and I have to see where they're
13 coming from and what they do because I looked at the
14 Pennsylvania Turnpike budget and I don't see where all
15 that money other than what they funded lately through the
16 bill, the loans they've had taken out and bond issues, and
17 that's where that funding is coming from right now.

18 REPRESENTATIVE CARROLL: I think you may want to
19 take a second look at that really because it's a case of
20 being careful what you wish for here. I'm not sure that a
21 total repeal of Act 44 would be in the best interest of
22 Clarion County and some of the other counties in the
23 northern half of the State, and so I'll stop there.

24 But ask the Clarion Chamber to take a close look at
25 revenue sources because at the end of the day as was

1 mentioned before, we're going to have 150 or more each
2 year, and it's easy to say, do it, and it gets really hard
3 when you get to the details, and so the fact of the matter
4 is that I have a feeling that we're going to hear the
5 District Engineer from PennDOT for Clarion County talk
6 about all the road and bridge needs in this County and
7 Counties surrounding Clarion, and those needs are going to
8 be significant, and we're going to have to find a way to
9 pay for them because right now, the current funding levels
10 will not support a program that provides a safe and
11 efficient transportation that worked for this town or
12 other things, so I'll stop there.

13 REPRESENTATIVE GEIST: I just want to add an
14 editorial comment. When you say repeal Act 44, alot of
15 the stuff in Act 44 is excellent. The funding formula
16 that's in there is of real benefit for Clarion, Crawford,
17 all these counties. That was long in coming, and I think
18 that the PennDOT people and the people on our staff did a
19 good job with the mechanics, so we have to make sure that
20 alot of that good stuff stays, so if you're going to
21 repeal it, make sure you have another law ready to put the
22 good stuff back in.

23 MR. STROUP: I don't disagree with that. That's
24 right.

25 REPRESENTATIVE GEIST: Thank you.

1 REPRESENTATIVE MARKOSEK: Chairman Sturla?

2 REPRESENTATIVE STURLA: Thank you, Mr. Chairman.
3 Sir, you talked about the gas tax revenues for I-80 being
4 enough to pay for the maintenance of I-80, and then you
5 said, but I'm not so sure about the other roads around
6 it.

7 MR. STROUP: Well, obviously, the other roads
8 around it are like any other State roads and stuff.
9 Obviously, the 240 million against the 80 million is
10 enough to set some of those off. I guess I didn't finish
11 my statement on that.

12 REPRESENTATIVE STURLA: When I look at roads in
13 Pennsylvania, there are about 40,000 miles that the State
14 maintains, and about 20,000 of those miles get less than
15 2,000 cars a day, and that level of cars on those roads
16 means that there's not enough gas tax generated to
17 maintain those roads, so those roads are subsidized by the
18 ones that are traveled more heavily.

19 MR. STROUP: Like 80?

20 REPRESENTATIVE STURLA: Right, and I guess I would
21 caution you to say, don't toll a road if it's already
22 earning enough money because the ones that aren't earning
23 enough money, the other option then would be to shut those
24 down.

25 MR. STROUP: And that's another option is the

1 fairness of just tolling and 80 gets all the other roads.
2 I mean, everything's on the table we've talked about here,
3 so I mean, if we're doing 80, what about 79, 83, 81, and
4 95, and you know, again it smooths out that heavy burden
5 of one group.

6 REPRESENTATIVE STURLA: So are you saying that if
7 we toll the other Interstates in the State which they're
8 having proposal to do that, you would then be okay with
9 the tolling of I-80?

10 MR. STROUP: We would have to look at the overall
11 proposal, yes.

12 REPRESENTATIVE STURLA: One other thing, you
13 talked about mass transit and you pointed out about SEPTA,
14 and just for your information kind of thing, the subsidy
15 provider on SEPTA, State and Federal subsidies, is about
16 \$2 per rider. The subsidy for rider in some of the rural
17 parts of the State is between \$15 and \$22 per rider.

18 MR. STROUP: That is a problem. We have to
19 question what is going on with those transportation
20 systems and where we're going.

21 I know across the county, alot of money for their
22 transportation, too, for the needy and different people,
23 and I can defer to our Commissioner on that, but we have
24 other sources of public transportation, and when you see
25 that bus running around with one or two people on it, I

1 question it as a citizen.

2 REPRESENTATIVE STURLA: And I fully understand
3 that. When I see some of the SEPTA buses where there's
4 people, every seat filled, and there's people standing and
5 people criticizing the fact that they're not doing a good
6 job, I question that also.

7 On the cost benefit analysis that I talked about
8 earlier when the gentleman from 10,000 Friends spoke, do
9 you support a cost benefit analysis in terms of which
10 roads we repair? Should we be doing the ones that help
11 business the most first?

12 MR. STROUP: I think as a business, you have to
13 look at that, yes.

14 REPRESENTATIVE STURLA: Okay, thank you.

15 REPRESENTATIVE MARKOSEK: Representative Roae?

16 REPRESENTATIVE ROAE: Thank you, Mr. Chairman.

17 When I look at transportation funding, I get very
18 frustrated. I see the State spending so much money
19 foolishly that we could spend on transportation.

20 For instance, would you guys support instead of the
21 State using slot machine tax money to build sports
22 stadiums and to build or expand the Philadelphia
23 Convention Center, and we're talking hundreds of millions
24 of dollars for those projects, you know, Welfare fraud,
25 and there's just a whole host of things that the State,

1 you know, does a poor job spending money, and do you think
2 we should look at maybe not doing those types of things
3 and using the money for more important, vital things such
4 as fixing bridges?

5 MR. STROUP: I hope we're constantly trying to do
6 that, yes.

7 REPRESENTATIVE ROAE: I appreciate the answer, but
8 I guess it's frustrating when the public knows that our
9 roads and bridges are falling apart, and everybody up
10 there agrees that we need to do alot of work on those, but
11 when we see money that could be used to fix roads and
12 bridges and expand a convention center or build a sports
13 stadium for teams that pay their players, you know, \$2
14 million or \$3 million a year each, when you see all this
15 Welfare fraud going on, you know, I don't think the
16 conversation necessarily has to be about tolling roads or
17 raising taxes. I think if we got our priorities in line
18 and spent money where it needs to be spent, you know, I
19 don't know that we'd have to raise taxes.

20 MR. STROUP: Enough said.

21 REPRESENTATIVE ROAE: Thank you.

22 MR. STROUP: Thank you.

23 REPRESENTATIVE MARKOSEK: Okay, there being no
24 further questions, the next testifier --

25 MR. HENRY: Bill Henry.

1 REPRESENTATIVE MARKOSEK: Okay, Mr. Henry.

2 MR. HENRY: I'm going to try to be as brief as I
3 can because we have covered some of the issues here, but I
4 am Bill Henry, President of the Clarion County Economic
5 Development Corporation. Our mission is to create and
6 keep family sustaining jobs in Clarion County.

7 I am speaking here today because we need smart
8 taxing bodies in Pennsylvania. We need a strong
9 infrastructure and there are problems with our highways,
10 roads and bridges, and we need intelligent solutions to
11 this problem.

12 Cutting spending should be the consideration we use
13 first. In our economy, our Government needs to use our
14 money more wisely. We need to utilize information that is
15 available to us. As legislators, you have a duty to make
16 informed decisions and review reforms suggested by the
17 2006 Transportation Report. This report made
18 recommendations that could save \$20 million per year for
19 bridges and highways, and for mass transit, it could save
20 \$60 million per year.

21 Review all State-mandated costs such as
22 environmental reviews and prevailing wage. The
23 environment is very important to our existence, but if the
24 environment is only going to be temporarily
25 inconvenienced, we should let nature recover at its own

1 pace. We must use common sense with our projects and not
2 increase the cost so much that it causes a waste of
3 taxpayer dollars.

4 Prevailing Wage: The prevailing wage rates set by
5 the State Department of Labor & Industry are frequently 20
6 per cent higher than the average wage for similar work.
7 I think that discussion went on just a little bit earlier.

8 I believe the free market system will provide
9 family sustaining wages on road projects, so setting an
10 artificial rate for wages is increasing the cost to our
11 taxpayers. A 20 per cent reduction would reduce labor
12 costs by hundreds of millions of dollars.

13 Eliminate duplication in our State transportation
14 system by eliminating the Pennsylvania Turnpike
15 Commission. Turn the Turnpike over to the Pennsylvania
16 Department of Transportation.

17 The Pennsylvania Turnpike Commission is drastically
18 overstaffed. For every mile of Turnpike, the Turnpike
19 Commission has more than 4 employees and one senior level
20 manager. PennDOT has only one employee for every 3 miles
21 of roadway. If you exclude toll operations, the Turnpike
22 has nearly 3 employees per mile.

23 Let's think about that for a minute. For 100 miles
24 of road, the Turnpike Commission has 300 employees.
25 PennDOT has 33 employees, so 267 less people to do the

1 same job.

2 Keep taxes in the coffers they belong to. Keep the
3 gas tax to repair roads and bridges. Require State
4 legislators to review the governor's request to flex
5 Federal tax dollars from highways and bridges to other
6 uses such as mass transit or State Police.

7 Between 2004 and 2007, Governor Rendell flexed over
8 \$412 million in Federal Interstate Maintenance funds for
9 nonhighway use such as transit in Philadelphia and
10 Pittsburgh.

11 Enact legislation to make it harder for the
12 Government to flex this money. We need to take control of
13 this crisis. The funds have been mismanaged and we need
14 to correct this problem ourselves.

15 Replace the existing public transportation program
16 with one that is run by local municipalities and enact
17 legislation that would allow municipalities to raise
18 additional, local and dedicated revenues and decide if
19 public transportation is best for their communities.

20 Tolling: No tolling unless the Interstate meets
21 the criteria set down by Federal law. The law is specific
22 to incorporate failing infrastructure into the program and
23 to correct specific problems and to not send money to
24 other areas of the State. If we consider tolling, then to
25 comply with Federal law and look at the tolling of

1 Interstates that need improvements and/or major repairs
2 such as I-95.

3 Alternative Fuels and Outside the Box: The use of
4 alternative fuels and getting outside the box, let's look
5 at the long term.

6 Promote the use of natural gas as an alternative
7 fuel for trucks and cars. We need to move forward with-
8 out thinking, and the only way to do things as a nation,
9 we need to be less dependent on foreign oil.

10 Pennsylvania could be the first State in the nation
11 to move forward with a natural resource we have found to
12 be literally in our back yard. Our Government and leaders
13 need to be forward thinking. The next logical step for
14 fuel and transportation funding needs is natural gas, not
15 electric or solar.

16 We need time for the technology to catch up to the
17 ideas. Let's promote natural gas by compressing natural
18 gas that can then be used in all current vehicles on the
19 road. They're easily converted and the cost of fleets,
20 both Government and private, can be less which in turn
21 saves the citizens of this Commonwealth money.

22 By putting together public/private partnerships, we
23 can create jobs and create a tax base through employment
24 and the next logical evolution of the automobile. It's
25 better for the environment and creates jobs local, which

1 will make a larger tax base. Let's be business friendly
2 to make PA the best place to be forward thinking in our
3 use of this natural resource.

4 In conclusion, I believe there are two simple
5 solutions:

6 (1) Let's first look at our expenses and trim the
7 fat. Eliminate the Pennsylvania Turnpike Commission,
8 saving us added expenses of a duplicate system, review our
9 mass transit systems to see where money is going, and let
10 the local communities decide how best to use it and fund
11 it and place the money where it belongs by not flexing
12 hundreds of millions of dollars to other needs.

13 (2) Look for the new and innovative sources of
14 revenue by creating jobs in our communities and creating a
15 business friendly climate to the employers. The more
16 people at work, the more taxes available to the
17 Government, and the more people will spend to improve our
18 economy.

19 Thank you for your time.

20 REPRESENTATIVE MARKOSEK: Okay, Bill, thank you
21 very much. Just for everybody's information, the fuel tax
22 and the licensing fees that goes in the Motor License
23 Fund, that's already constitutionally guarded. It can
24 only be -- it can't be used for other General Fund
25 purposes, so that is roads and bridges essentially, so

1 just for the interest of members.

2 Chairman Sturla?

3 REPRESENTATIVE STURLA: Thank you. Mr. Henry, as I
4 understand your testimony, you said, no tolling fees
5 should go to places other than where the road is located,
6 is that correct?

7 MR. HENRY: According to what I understand by the
8 Federal Government, the way that they will allow tolling
9 is if it's used for that specific highway and repairs on
10 that specific road, so if we're going to do tolling, we
11 should do it for roads unlike I-80 that have a deficit for
12 repairs that are needed on them.

13 REPRESENTATIVE STURLA: So would you advocate for
14 the Turnpike tolls to go only to the counties that the
15 Turnpike runs in?

16 MR. HENRY: I don't know that -- my understanding
17 is that I don't know where the Turnpike tolls actually go
18 now. My understanding is that the Turnpike is paying a
19 lease fee right now to the State based on the bonds that
20 they funded. I don't think the tolls go outside of the
21 Turnpike right now.

22 REPRESENTATIVE MARKOSEK: Yes. Under Act 44,
23 Turnpike tolls do go for, on the main line for road and
24 bridge work as well as mass transit under Act 44.

25 REPRESENTATIVE STURLA: Throughout the State.

1 REPRESENTATIVE MARKOSEK: Yes. I think what
2 Representative Sturla is getting at is, you know, under
3 Act 44 now, you're actually getting some mainline Turnpike
4 toll money that my constituents are paying, and it is
5 coming up to this region, so I guess his question --

6 REPRESENTATIVE STURLA: I guess my question is
7 would you advocate for none of the money coming here?
8 If you will, I would be glad to hear that because we can
9 keep it in those counties.

10 MR. HENRY: I would advocate for first, that the
11 Turnpike Commission trim the fat because there could be
12 more money coming out to the coffers or the tolls could be
13 reduced to help people in your locale.

14 As far as where the money goes, I mean, you guys
15 are paid the big bucks to make that decision of what's
16 fair and what's just.

17 REPRESENTATIVE STURLA: Okay. On your analysis, I
18 had a working analysis before the number of workers on the
19 Turnpike versus the number of workers on PennDOT, although
20 as I pointed out earlier, 20,000 miles of PennDOT roads
21 get less than 2,000 cars a day and don't require alot of
22 workers. The Turnpike is getting 2,000 cars an hour or
23 more.

24 Does your analysis include actual vehicle miles
25 traveled?

1 MR. HENRY: It's not vehicle miles traveled, but in
2 that analysis or I shouldn't say it shouldn't be in this
3 analysis, but I've seen PennDOT's transportation charts.
4 It was in one of the meetings that the Turnpike Commission
5 actually put on, and they showed which highways in the
6 State get more use, so the bold red line, I-80 was about
7 that thick and the Turnpike was about that thick (witness
8 indicates).

9 So as you go to a cost-benefit analysis, if the
10 road is getting much less use, then there's probably much
11 less maintenance required for that road also.

12 REPRESENTATIVE STURLA: And that's what I'm saying
13 though is you're only looking at I-80 and the Pennsylvania
14 Turnpike. Remember, I-80 is what, 300 or 400 mile long?

15 MR. HENRY: Yes.

16 REPRESENTATIVE STURLA: There's 40,000 miles of
17 State roads --

18 MR. HENRY: Yes.

19 REPRESENTATIVE STURLA: -- outside the Turnpike,
20 40,000, so those aren't the big fat lines. Those are the
21 ones that are so narrow that you can't even see them on a
22 map.

23 MR. HENRY: Correct.

24 REPRESENTATIVE STURLA: So I'm just trying to --
25 when you talk about your analysis of how many workers

1 there are on PennDOT -- I'm not defending PennDOT or the
2 Turnpike Commission -- but you're comparing a road that is
3 getting alot of cars a day to 40,000 miles worth of roads
4 and 20,000 of which get virtually no cars a day.

5 MR. HENRY: But then we're down. We're decreasing
6 -- we're only using 10 per cent of the work force for what
7 you're calling half the roads then, so that increases us
8 to 20 per cent, so you're still, the Turnpike Commission
9 is still spending over 80 per cent more than our other
10 services.

11 REPRESENTATIVE STURLA: Okay, thanks.

12 REPRESENTATIVE MARKOSEK: Chairman Geist?

13 REPRESENTATIVE GEIST: I don't want to see the
14 argument devoted away from what the need is here. I think
15 that you're going to hear in Clarion from the District
16 Engineer the tremendous need we have in this area to fix
17 bridges, and I have no idea how many bridges you have with
18 a weight limit of 3 ton and 10 ton. I have no idea how
19 many spans in local government under 20 feet that you have
20 that are in terrible shape, but we know that there are
21 alot. I have no idea how many miles you have in Clarion
22 of roads that are past the point of maintaining them and
23 have to be rebuilt, but it's alot.

24 Our job is to try to find those moneys State wide
25 to fix up each of our areas in a manner that's good, and

1 the business of kicking the Turnpike or kicking Lancaster
2 County just doesn't work. We have to put together a
3 consensus in the General Assembly to get all of this stuff
4 done, and I know that the northwest has a tremendous
5 deficit when it comes to maintenance projects, and we've
6 got to get the House rebuilt. We've got to get it back up
7 to order, and all the divergent arguments that we have are
8 not going to help do that.

9 This area has a tremendous transportation problem,
10 a tremendous problem. Whether we don't like SEPTA or
11 whether we don't like shared ride in Crawford County, we
12 have to fix it and make it work, and I'm in total praise
13 of this whole business of doing this as a bipartisan with
14 Joe and the Transportation Committee and two policy
15 committees because I think what we're doing is absolutely
16 the Lord's work when it comes to politics.

17 Our system is broken. We're at a terrible deficit,
18 and we got to get about the business of fixing it.

19 Now I know that Bill Petit doesn't have any bad
20 bridges or roads up here, but we're going to hear from
21 him, I think, next.

22 REPRESENTATIVE STURLA: No . . .

23 REPRESENTATIVE GEIST: He's way down the line, but
24 this thing has to get done. We're way past these petty
25 arguments.

1 I was on the Reform Commission and spent two years
2 all over the State, and we have done every 12-year plan
3 hearing from ad infinitum, all over, and people keep
4 coming in with the same projects for 30 years.

5 Our 12-year plan now is the 36-year plan. We were
6 really broken. The wheels have come off and we really
7 need to fix it.

8 I'm not scolding you or scolding Mike or somebody
9 else, but whether Lancaster County gets X or Blair County
10 gets X, it's almost meaningless. The problem is immense
11 and we need to get about the business of fixing it.

12 We have to provide in the General Assembly the
13 means for our District Engineers to do that job, do the
14 projects in legislators' districts because nobody knows
15 their district like a legislator does, and then our other
16 function is the audit function, but past that, we've got a
17 good Department of Transportation. They just don't have
18 anything to work with.

19 I'm done.

20 REPRESENTATIVE MARKOSEK: Well said, well said,
21 Rick. (People are clapping!)

22 MR. HENRY: And I agree with you, and the basic
23 essence of our statement is we need to trim the fat and
24 look for alternative sources of revenue, I mean, really
25 and for the entire State, not just one area.

1 REPRESENTATIVE MARKOSEK: Okay, with that
2 gentlemen, thank you.

3 (Court Reporter requests a break at this time)

4

5 (AFTER RECESS)

6 5:44 o'clock, p.m.

7

8 REPRESENTATIVE MARKOSEK: Thank you very much. We
9 had a little break there.

10 Bill Petit, District Engineer, District 1, correct?

11 MR. PETIT: Yes.

12 REPRESENTATIVE MARKOSEK: And Bill and I met up
13 here in Clarion for the first time a year and a half ago,
14 so, Bill, you may proceed.

15 MR. PETIT: Thank you, Mr. Chairman. I have the
16 privilege of presenting to you two presentations today,
17 one on behalf of Secretary Allen Beihler, and the second
18 will represent our regional issues in District 1, and by
19 the way, District 1 represents Erie, Mercer, Venango,
20 Warren, and Forest Counties, and Venango County if I
21 didn't say that.

22 A quick run through, just a snapshot of some
23 bridges that are heavily deteriorated. It's no big
24 surprise to us in the industry, but does the traveling
25 public, the motoring public, the general public understand

1 the gravity of this particular situation? Well, I doubt
2 it. The riding is smooth.

3 Here's a couple examples of some roadways in
4 districts throughout the Commonwealth that also have signs
5 of significant deterioration.

6 One of the big problems that we have in our
7 industry is the huge spike in the Big Price Index, the BPI
8 represented by the green line on the graphic. That
9 graphic has gone up or that indicator has gone up about 80
10 per cent since 2003, and it's largely on the back of the
11 commodities that we use, asphalt for bituminous mixes,
12 steel for our structures and our reinforcing bars, cement
13 for concrete, et cetera.

14 But look at it in comparison to the construction
15 cost index and the consumer price index, significantly
16 higher.

17 So what does that mean? How does that translate
18 into our ability to support general highway maintenance?
19 Obviously a significant loss in buying power to the tune
20 of in this representation of 8 years about 1.6 billion
21 dollars in buying power loss. That's equivalent to
22 one-year's program, an entire program where you stand
23 down.

24 Just a little reflection on where the money goes:
25 Well, 74 per cent of moneys, revenues, generated into the

1 transportation industry are given back to the private
2 sector to complete road projects to support the industry
3 at large, a significant investment in local and State
4 industries.

5 Take a look at Capacity Adding Projects. This is a
6 great graphic, and it shows you the change in philosophy
7 in PennDOT over the last three TIP update cycles. You can
8 see that 2003, 2006, were somewhere around 23.

9 There wasn't much of a decline in '05, '08, but
10 look at the dramatic increase since then, and it doesn't
11 reflect the recent TIP update which would probably mirror
12 that 5 per cent mark, and it's simple -- we just don't
13 have the financial horsepower to put highway capacity
14 projects on the program. We've got bridges that have to
15 be maintained.

16 So along comes Act 44 and it created public
17 partnership. What did it mean? It meant generally over
18 its life, we'd see about 950 million hours supporting
19 highway and bridge investment and also for public transit.
20 That was the plan.

21 What does an insolvent component of Act 44, i.e.,
22 the lack of the ability to toll I-80, what does that mean?
23 Well, it means on the highway and bridge side, we're going
24 to flatten out starting July 1 of this year to about a
25 \$200 million incremental investment to PennDOT and about

1 \$250 million for public transportation.

2 Next is Improving Poor Roads: Since 1996 going all
3 the way to 2009, we dropped poor roads from 18,000 miles
4 to about 7,000 miles. It's a great thing for me to
5 advocate, but it also is part of our problem as we sit
6 here and discuss it today. The general public just
7 doesn't realize that we have a growing problem on our
8 hands because they're riding on smoother and smoother
9 roads and their expectations of us are growing as part of
10 that.

11 Structurally Deficient Bridges: We've talked about
12 it alot here, even today. Two years ago, the Governor put
13 together an accelerated bridge program. That accelerated
14 bridge program was intended to resolve 1,045 structurally
15 deficient bridges over a three-year time frame. We are
16 well on our way to realizing that particular deliverable,
17 so PennDOT can deliver.

18 With a huge up TIC in our investment by every
19 district, not just District 1 in northwest Pennsylvania,
20 but every district, we've been able to drop the number of
21 structurally deficient bridges Statewide from about 6,000
22 to about 5600.

23 But take a look at that. Even on this graphic, in
24 that 8-year time frame, we're still not at the level we
25 were at 8 years ago, even with that huge investment.

1 So concluding the Secretary's component of the
2 presentation here today, there were a few items and I
3 skipped over one, but the Transportation Funding and
4 Reform Commission report basically said you had a need to
5 sustain the existing system of about \$1.7 billion in
6 addition to moneys we already received, and that included
7 public transportation.

8 The Transportation Advisory Committee report that
9 came out in May of this year indicated that need was
10 actually about \$3.5. Some of that is due to that Big
11 Price Index that I shared with you and some of it's
12 because we have better assets and planning tools that
13 we're taking a look at, so the need continues to grow.

14 Part of what we're not going to be able to deliver
15 as a consequence of an insolvent Act 44 are 444 unfunded
16 highway and bridge projects throughout the Commonwealth.

17 Take a look at the comparison between a fully
18 loaded Act 44, which I had already indicated our intent
19 was to drive down the structurally deficient bridge
20 problem statement in Pennsylvania from just over 6,000 to
21 about 3,000 in the year 2033.

22 But what happens with a base allocation now at \$200
23 million a year? It translates into us basically
24 reconciling about 1,000 structurally deficient bridges,
25 and actually, it starts moving up after the year 2018, and

1 I guess I just covered the November 2006 component, and
2 that's the \$1.7 billion of need that came out of the
3 Transportation Funding and Reform Commission report.
4 About a billion of that was to highway and bridges.
5 Again, we never even came close even with Act 44. Even
6 with the good intent of Act 44, we never came close to
7 that \$1.7 billion reconciliation component.

8 On a more regional level, again, I represent the
9 6 counties in northwest Pennsylvania identified here. We
10 have similar issues related to needs. Here's a couple of
11 our bridge problem statements with some obvious and some
12 not so obvious.

13 We have 323 structurally deficient bridges. That
14 represents a little over 15 per cent of 2,058 bridges that
15 we are obligated to maintain in northwest Pennsylvania.

16 Take a look at fixing our structurally deficient
17 bridge problem. We're at about 15.1 per cent in the
18 middle of the graphic here with restored Act 44 funds.
19 If we had that ability, we could drive that down in 2014
20 to about 12.3 per cent.

21 If you look at the blue line, the current funding,
22 i.e., with a lesser Act 44 component, that would be about
23 13.8 per cent, and of course, our goal is a 40 per cent
24 reduction by the year 2018.

25 The question has come up, what does our problem

1 statement look like for closed and posted bridges in
2 northwest Pennsylvania, the 6 counties in northwest
3 Pennsylvania?

4 You can see we have 4 closed bridges. We have two
5 bridges that are posted between 3 ton and 10 ton, and we
6 have three bridges posted at 3 ton. It's not huge numbers
7 but certainly an impediment to commerce delivery.

8 The Needs on the Highway: Route 66 or 666 in
9 Forest County where the deer and the buffalo roam, still
10 they're Interstate in that neck of the woods, a vital
11 link, Interstate 80, a little bit of that, and Route 5 in
12 Erie County.

13 There's 296 miles of poor roads in northwest
14 Pennsylvania. About 275 miles of that are on the
15 secondaries on those less than 2,000 ADT roads, so we're
16 doing a real good job. We've got to focus investment
17 strategies on the Interstates and the NHS system, but our
18 secondaries continue to need alot of attention for us.

19 Take a look at Mercer County. I only want to point
20 it out because you see almost no poor roads in Mercer
21 County, and I would share with you that I believe it's
22 part of our recycling program in Mercer, which was
23 incubated really in Mercer County.

24 We have 1351 pavement miles that are out of cycle.
25 I think Gary Hoffman from PAPA did a real good job of

1 showing what out of cycle really means. It means we're
2 delaying unnecessary investment. When you prolong that
3 investment, the costs grow, and the solution becomes a
4 little more complex, so this is a huge problem statement
5 for us because it represents a quarter to a third of our
6 network that is out of cycle today as we speak.

7 We have 31 unfunded projects as a consequence of
8 the insolvency of Act 44, representing about \$59 million
9 in investment in our 6-county area.

10 So we analyze this and you take a look at it, our
11 bridge and pavement needs, and when you post it up against
12 our current funding levels, we have a shortfall of about
13 \$202 million.

14 The last item that I wanted to share with you
15 relates to our transit agencies, some of which were deep
16 in discussion with all of you here today about 3 hours
17 ago, related to what their ridership is and the investment
18 that comes from State subsidies. You can see it for
19 yourself. The Erie Metropolitan Transit Agency is
20 certainly the big player in our area with lesser
21 investments, but we continue our dialogue with our motile
22 partners because there are solutions that possibly could
23 help support a greater public transportation presence in
24 northwest Pennsylvania, and I'm ending with a quick
25 reference to the web site that hopefully everyone can get

1 on board and take a look at, so with that, I open it up
2 for any questions you might have.

3 REPRESENTATIVE MARKOSEK: Any questions?
4 Representative Longietti?

5 REPRESENTATIVE LONGIETTI: Thank you, Mr. Chairman.
6 It's really just in the nature of a comment more than
7 anything, but I just want to publicly acknowledge the good
8 work that Mr. Petit does in our region as well as his
9 staff.

10 And as he pointed out in Mercer County, some of the
11 forward thinking we heard today about some ways to stretch
12 our dollars further to save money, the recycling program,
13 which has made a big difference in our County, it's very
14 forward thinking to use that pavement over again, but also
15 recognizing, too, that as good as our roads are in Mercer
16 County, and I'm sure as I sit here today, someone is
17 probably watching on TV, thinking the roads aren't that
18 good because they're thinking of some of our local roads
19 that need attention as well, and that's part of our
20 funding problem, but also the slide on the out-of-cycle
21 roads.

22 Some of those roads may be good today, but it won't
23 be too long before they need attention because they're out
24 of cycle in their maintenance and so the need to always
25 keep an eye on it is there.

1 It's more of a comment and I just wanted to
2 acknowledge and appreciate the good work that you do for
3 our regions.

4 REPRESENTATIVE MARKOSEK: Any questions? Okay,
5 Chairman Geist.

6 REPRESENTATIVE GEIST: Thank you very much, Bill,
7 excellent job.

8 We've been trying to get a handle on how many of
9 the local bridges are under 20 and under 10-foot spans and
10 the condition that they're in, and the answers that have
11 come back are pretty frightening.

12 Have your people in the District done any kind of
13 inventory with their local government people?

14 MR. PETIT: I can't tell you the exact number below
15 20 feet. I can tell you that the local bridge system as
16 was already recognized by another person who gave
17 testimony here earlier today, but about 555, and we have
18 about 37 1/2 per cent of which are structurally deficient.
19 It is a huge problem statement.

20 Quite frankly, even if their share is 5 per cent,
21 it's still a huge problem statement. Local governments
22 right now largely base those decisions on inspection
23 reports that we get. They're on a two-year cycle just
24 like PennDOT is, but they don't have the financial
25 horsepower either. They're getting about \$2318 a mile

1 plus \$1352 per capita to match up to our 80 per cent
2 Federal share or 15 per cent State share.

3 The problem statement goes beyond the financial.
4 Most of them don't have a local engineer at their
5 disposal. Especially in rural Pennsylvania, it is a
6 problem so they have to contract out for those types of
7 services. Most of them haven't gone through our process
8 to get Federal dollars, which means we have to be
9 compliant with NIPA. We have to exercise due diligence in
10 terms of mitigating environmental issues. We have to
11 follow Federal law related to any property that might be
12 required.

13 Alot of local governments need that education. We
14 can continue to offer that up and we continue to put our
15 best foot forward, but the fact is, there just isn't
16 enough financial horsepower to make a real dent in it.

17 REPRESENTATIVE GEIST: And then finally, the last
18 part of that is do you know how many miles of detours you
19 have because of bad bridges?

20 MR. PETIT: Oh, my, miles of detours. That's an
21 interesting question. I don't.

22 REPRESENTATIVE GEIST: It's come up in other places
23 across the State and how expensive those detours are.

24 MR. PETIT: They're tremendously expensive. I can
25 tell you this. We've more than doubled our through put on

1 bridge delivery, and last year, we delivered about 74
2 bridges and we intend to do another 74 or so this year.
3 Now 74 bridges, that means alot of inconvenience because
4 generally, we're not building temporary roads or
5 runarounds for those bridges to be delivered, so
6 certainly, we're putting commerce around a detour route.

7 REPRESENTATIVE GEIST: Did you ever get those
8 mollusks worked out?

9 MR. PETIT: You don't have enough time today!

10 REPRESENTATIVE MARKOSEK: Bill, thank you very much
11 -- oh, I'm sorry. Do you have a quick question,
12 Representative Carroll?

13 REPRESENTATIVE CARROLL: Thanks, Bill, for your
14 testimony. I'm wondering, Bill, if you believe -- the
15 question about timing, let me rephrase the question that
16 way.

17 There are those that believe that we need to solve
18 this problem now as far as filling the funding gap at
19 least left by Act 44 and those who believe that we can
20 wait. Where do you fall in that spectrum?

21 MR. PETIT: Oh, my, way to the latter side. We
22 absolutely have to act now. The problem continues to
23 grow. I think alot of the testimony leading up to our
24 time up here would indicate the same thing. The
25 investment needs are absolutely critical.

1 You know, there's a term called predictable
2 surprises. We know what's coming, we absolutely know, so
3 it shouldn't be a surprise. There's going to be
4 significant deterioration. It's continuing right now.

5 We did a marvelous job by refocusing our attention
6 on bridges in Pennsylvania, but by the same token, we have
7 to continue our investment in those roadways that we now
8 are starting to see improved.

9 You saw the graphic. We've driven it down from
10 18,000 to 7,000. That's good, but there's the
11 expectation. The new bar for Pennsylvania is 7,000.
12 Let's drive it down further. The public has an
13 expectation that continues to grow, and frankly, they
14 probably take some of that for granted.

15 REPRESENTATIVE CARROLL: And finally, you breezed
16 through this pretty quickly, but I just jotted it down --
17 31 projects unfunded in your District as a result of lack
18 of funding from Act 44.

19 Those 31 projects, how critical are those projects,
20 Bill?

21 MR. PETIT: I think they are very critical. It's
22 probably more important to back up one slide further and
23 you look at 1351 lane miles of pavement that are out of
24 cycle. That means again that we're going to be investing
25 more as to what we should be doing today, but we might be

1 doing it 2, 3, 4, 5 years from now and you're going to
2 feel it as they're driving over those same roads.

3 REPRESENTATIVE CARROLL: Your testimony is
4 consistent with the testimony we've heard in other
5 regions. Thank you.

6 MR. PETIT: Thank you.

7 REPRESENTATIVE MARKOSEK: Okay, Bill, thank you
8 very much. Mr. Dan Gracenin?

9 MR. GRACENIN: I'll try to keep this as quick as
10 possible. My name is Dan Gracenin and I'm the Executive
11 Director with the Mercer County Regional Planning
12 Commission. We also have the role of the responsibility
13 of running the Mercer County MPO also.

14 First off, I would like to say thank you to
15 Majority Chairman Markosek and Minority Chairman Geist for
16 allowing any other Committee members also and for allowing
17 me to speak before the Committee today on behalf of the
18 Mercer County MPO.

19 I'll keep my comments short and to the point of
20 today's discussion and would be willing and happy to
21 answer any questions you have during my testimony.

22 I'd like to start off my testimony today by
23 specifically addressing the 5 questions which were
24 identified in your May 14th, 2010, letter, which
25 identified the purpose of today's hearing.

1 First, do we believe that our public transportation
2 and State highway and bridge system are in a financial
3 crisis?

4 The simple answer to this question is yes. How we
5 arrived at this crisis is a question that is not so easily
6 answered. Within the Mercer County MPO, we have long
7 taken the position to make asset management a top
8 priority, even to the point of some past MPO voting
9 members disagreeing with this approach. On the highway
10 side of transportation we have been able to maintain our
11 system relatively well as shown in the slides by our
12 engineer, but we still do not have the funds to fully
13 maintain the existing roadways on the State system.

14 Mercer County like many other areas of the State in
15 the last year and a half used the Federal ARRA funding to
16 bolster our asset management priorities also so that's why
17 we have a little bit less also. We put all of our ARRA
18 funds basically into the resurfacing program.

19 But without this infusion of money, Mercer County
20 would not have had the resources necessary to provide
21 basic maintenance on many important roadways. The issue
22 of local roadways is another problem that we have been
23 hearing throughout the testimony here today.

24 During the course of our regularly scheduled MPO
25 meetings, we have had many elected officials state that

1 the State liquid fuel allocations are inadequate to meet
2 local needs, and as a result, it is evident that many
3 small municipalities within Mercer County have roadways
4 that are inadequate and potentially unsafe.

5 As a Planner, I believe that growth is needed to
6 sustain our communities, but that where and how this
7 growth occurs impacts our infrastructure needs and
8 therefore should be carefully examined to ensure that we
9 can support new growth areas in the future. Although this
10 may not be a direct question for today's hearing, the
11 issue of local road and bridge needs also impacts the
12 abilities of our communities to provide safe and efficient
13 systems for residents as well as existing and potentially
14 new economic development.

15 Question No. 2: How has Pennsylvania's deficient
16 infrastructure directly or indirectly impacted your
17 ability to improve transportation in your region?

18 Our region has been impacted as I would expect
19 every other region in Pennsylvania has because we all have
20 deficiencies in our systems. We all suffer from the lack
21 of adequate funding to complete what is necessary to
22 maintain the system let alone attempt to build new
23 capacity adding projects. This is evident in Mercer
24 County in that our TIP for the last 2 to 3 cycles have
25 been dominated by the addition of structurally deficient

1 bridges into the TIP listings, which is a priority of ours
2 as well as PennDOT's but does not allow the MPO much of
3 any ability to promote projects which local officials view
4 as vital for the safety of our residents or the ability to
5 promote economic development in the County where road
6 infrastructure improvements would be necessary.

7 Within Mercer County, 72 out of 422 State bridges
8 have been identified as being structurally deficient,
9 equating to 17 per cent, which is lower than the State
10 percentage of 22 per cent, but is still too high of a
11 percentage to allow us to say our infrastructure is
12 adequate.

13 An example of how these deficiencies have affected
14 our ability to improve the transportation system is seen
15 in our current draft 2011-2014 TIP. The draft TIP for
16 Mercer County has a projected funding level of 77.1
17 million of which 42.7 million or 55 per cent will go
18 toward bridges. Because we are funding these bridges at
19 such high levels, which I support due to the need, it does
20 impact our ability to improve our transportation system in
21 other areas such as highway improvements, pedestrian
22 needs, rail, and so forth.

23 Question No. 3: Is inaction acceptable?

24 The answer to this question is simply no. It is my belief
25 that should the Commonwealth not be able to identify

1 alternative funding sources to provide additional funding
2 to the MPOs/RPOs, we as residents will suffer with
3 highways, bridges and transit issues which will lead to a
4 system that will become unsafe and not efficient for
5 residents and businesses alike.

6 The example I would like to -- I'll skip the
7 example -- I was going to mention the detour issue and
8 that is an issue causing congestion on other roadways.

9 Inadequate funding also puts Pennsylvania at a
10 disadvantage when attempting to attract new businesses and
11 keep existing ones. Inaction now will only lead to larger
12 problems in the future. Had we all in the past maintained
13 our system before expanding our systems, we would not be
14 having this discussion today. Nonetheless, we are all in
15 this together and we must find a way to resolve this
16 issue.

17 Question No. 4: If inaction is not acceptable,
18 what level of additional funding is necessary for the
19 improvements you are advocating?

20 This question is a difficult question to answer
21 because our current plans are developed to be fiscally
22 constrained as required by Federal law. On this issue of
23 Bridge Funding, PennDOT has better explained this issue
24 already and that we need additional bridge funding.

25 As for Highway projects, one project that has been

1 a top priority for our MPO was studied back in 1999.
2 It's the Broadway corridor through the Shenango Valley
3 community. Due to its size and its cost, we have had to
4 split this into smaller projects over the course of the
5 last 11 years to maintain our fiscal responsibility.

6 On this one project alone, we need an estimated
7 additional \$9.4 million to complete the second phase of
8 the project. This, however, would complete just half of
9 the envisioned project of 11 years ago but not moved
10 forward due to the lack of the funding.

11 There were numerous other projects listed in our
12 Long Range Transportation Plan that would also benefit for
13 additional funding, but my view is that additional funding
14 is needed primarily just to bring us up to acceptable
15 standards while still attempting to provide additional
16 projects which will promote economic development within
17 Mercer County.

18 Question No. 5: What additional improvements
19 could be accomplished in the region if funding were
20 enhanced?

21 Additional funding will allow us to simply continue
22 to catch up on our structurally deficient bridges and
23 allow us to move ahead with projects that promote economic
24 development.

25 As mentioned previously, numerous projects have

1 been identified in the Long Range Plan and additional
2 funding would just allow these to move forward in a timely
3 manner.

4 I have attempted here today to answer the questions
5 which were posed to us by providing some examples of needs
6 within Mercer County. The one question that was not
7 asked, however, is where the additional funding would come
8 from especially since the tolling of I-80 has been
9 rejected by the Federal Highway Administration.

10 I do not have a single answer for this issue, but I
11 believe it may need to come from a variety of sources such
12 as user fees.

13 As I stated in my STC or State Transportation
14 Committee hearing last year, a short-term fix may require
15 an increase in the gas tax as unpopular as that may be,
16 but this is a short-term fix in my mind. With vehicles
17 becoming more fuel efficient and hybrids coming on to the
18 market, the amount of funding available through gas taxes
19 will probably not be able to keep up with the future
20 infrastructure needs.

21 If Pennsylvania is to provide additional revenue to
22 the MPOs/RPOs, it will need to come from somewhere, i.e.,
23 increased registration fees, gas tax increases, or other
24 sources that have been discussed today. On this issue, I
25 ask that whatever funding mechanisms may be identified

1 that they are equally applied to all residents of the
2 Commonwealth.

3 Once again, I thank you for your time in allowing
4 me to speak here today and I would be happy to answer any
5 questions.

6 REPRESENTATIVE MARKOSEK: Okay, thank you.
7 Representative Mark Longietti?

8 REPRESENTATIVE LONGIETTI: Thank you, Mr. Chairman.
9 I also want to recognize Mr. Gracenin from my Mercer
10 County Regional Planning Commission and the work that you
11 do. I'm a regular attender of the MPO meetings when I'm
12 available.

13 As you indicated, it takes so long to get these
14 projects on the TIP and completed because of the lack of
15 funding. You know, as an example right now in the City of
16 Sharon, you kind of touched upon it. Right now there are
17 three bridges in the midst of being replaced, and believe
18 me, I spent some time underneath those bridges at clean-up
19 days on Earth Day, and the need was certainly there. In
20 fact it's scary to think about how much truck traffic
21 traverses those bridges and the fact that it's now finally
22 being done and it will be done at the end of the year.

23 And that traffic has diverted to other roads in the
24 City of Sharon as we both know. Most people probably
25 wouldn't realize that those are local roads that are not

1 under PennDOT's jurisdiction but desperately also need to
2 be repaired, so I applaud the Chairman in mentioning
3 earlier in the hearing that part of our solution also has
4 to be funding for local roads as well, so the need is
5 certainly there in our County, which you demonstrated, and
6 I just wanted to highlight it.

7 REPRESENTATIVE MARKOSEK: Representative Carroll?

8 REPRESENTATIVE CARROLL: Thank you. Dan, you
9 mentioned real briefly the Broadway project in the
10 Shenango Valley. Is that a capacity adding project?

11 MR. GRACENIN: It is a capacity adding project, but
12 it's more than just a road project. That funding was tied
13 to our Federal HUD funding which was received by the City
14 of Farrell to tear down older, Federally subsidized
15 housing. There were brand new homes that were built in
16 that area, single family, multi-family also.

17 We received Federal money from Senator Santorum at
18 the time also to help with that project. That Broadway
19 project was envisioned not only as a road project but as
20 an economic development project in a community that is an
21 Act 47 community in Pennsylvania, and I believe the first
22 Act 47 community in Pennsylvania. It's an old steel mill
23 town.

24 We are trying to use roadway, an improved roadway
25 to help, you know, spur on economic development in that

1 area and reuse roadways that were existing for the last
2 100 years rather than expanding out into more rural areas
3 potentially.

4 I believe the rural areas also need economic
5 development and that's important, but the Broadway project
6 is one of the top priorities for the MPO.

7 REPRESENTATIVE CARROLL: Well, I'm glad you said
8 that because I've stated on more than one occasion that if
9 we're going to be serious about transportation funding,
10 it's more than just trying to maintain roads and bridges.

11 There are certain projects in this State that are
12 worthy projects that add capacity in various regions, and
13 it seems to me that if we're serious, we have to address
14 that capacity problem as well. To help places like that
15 that are Act 47, economic development is closely tied to
16 transportation and there's a direct link there, so thank
17 you.

18 REPRESENTATIVE MARKOSEK: Okay, thank you very
19 much. Next is the Crawford County Planning Commissioners,
20 Morris Waid and Jack Lynch.

21 MR. WAID: I had to change something because I had
22 morning.

23 REPRESENTATIVE MARKOSEK: It might be morning when
24 we get out of here!

25 MR. WAID: My name is Morris Waid and I'm Chairman

1 of the Crawford County Board of Commissioners. I've
2 served 18 plus years across the County and I witnessed
3 first hand the importance of transportation planning and
4 what it means for the overall economic valley of the royal
5 communities, and succinctly, we all understand the
6 importance of good road networks coupled with a healthy
7 bridge system for those of us who actually do planning on
8 these related systems.

9 At the same time, we are increasingly aware that
10 the same transportation network is becoming even more
11 critical for the growing segment of the local economy,
12 travel and tourism. As rural communities strive to
13 redefine themselves in a struggling economy climate that
14 has been steadily declining for a number of years, tourism
15 and various spinoffs from a couple of people to get into
16 their cars and head out to see the vast landscape across
17 the Commonwealth is witnessed by steady growth despite
18 recent declines in manufacturing and the current economic
19 struggles. We would be entirely remiss in our efforts not
20 to address this feature as we plan for our communities and
21 the spotty networks of roads and bridges that connect
22 them.

23 Over the past several years, I have been directly
24 involved in the Pennsylvania Route 6 Association and the
25 publication that bears that name. Crawford County is a

1 (inaudible) position and western host of the Commonwealth
2 for Route 6 network as a gateway into Pennsylvania. It
3 connects Linesville Spillway, Pymatuning State Park,
4 Conneaut Lake, Conneaut Lake Park, Woodcock Lake, Crawford
5 Park, the Meadville Market House, the Baldwin Reynolds
6 House Mansion, and the Erie Wildlife Refuge just to name a
7 few.

8 As more adversities come along Route 6, both
9 Crawford County and across the Commonwealth, those of us
10 who have been involved from the ground up recognize the
11 emerging importance and interplay between strong
12 transportation networks and a viable emerging tourist
13 industry along that route.

14 I am recommending here though that we have a
15 stronger tie between the RPOs and the MPOs that travel
16 across Route 6 for projects that will be taking place
17 where they can be scheduled in advance and we know where
18 the money is for those projects.

19 And I would just like to highlight briefly here
20 with the Route 6, the PA Route 6 Heritage Corridor.
21 Route 6 attracts 3.5 million travelers a year who spend
22 approximately \$91.1 million supporting over 2,000 jobs
23 across Route 6 with over 60 per cent of those staying
24 overnight in hotels, motels, Bed and Breakfasts or
25 campgrounds. They're averaging on Route 6 an average of

1 2.9 days on that road, so through that process, we're
2 pulling tourists in and using it, and we can see the
3 dollar value that's helping the northern tier across
4 Pennsylvania in small struggling communities.

5 REPRESENTATIVE MARKOSEK: Thank you. Okay, Jack
6 Lynch.

7 MR. LYNCH: My name is Jack Lynch and I'm the
8 Planning Director in Crawford County.

9 REPRESENTATIVE MARKOSEK: Speak into the mike
10 there.

11 MR. LYNCH: My name is Jack Lynch and I'm the
12 Planning Director in Crawford County.

13 I want to talk a little bit and take a few of Mr.
14 Waid's comments and go in the direction of some of the new
15 technologies and efficiencies, and I think we've been
16 doing that all day in terms of we all understand
17 intuitively the problems on both the inside and the
18 outside with the inside meaning of how do we redo some of
19 the things we're doing to create some better efficiencies
20 from within.

21 One of the things that we're keen on in planning is
22 the fact that we recognize that the face of technology is
23 changing. We're not so sure that we're doing the best
24 that we can in Pennsylvania to harness some of the brain
25 power.

1 We've got some of the largest land grant colleges
2 such as Penn State to bring trust that is there to sort of
3 make these creative relationships between what is
4 happening at Penn State, their ACE Division for the
5 students that go into engineering. There's even groups
6 like Ashley that try to strengthen those trades, those
7 relationships, so that we can take the greatest
8 efficiencies of stakeholders who are directly involved in
9 this process. We're not so sure that we're doing some of
10 those things and that we could be doing better.

11 The other thing that I wanted to talk about when we
12 talk about efficiencies from within -- and we talked about
13 this in our District -- I think we do a very good of
14 planning projects. I don't think there's a problem with
15 that. I think we have a rational process. We've had
16 projects -- I'm talking at the local level -- and that's
17 primarily between the counties and their local
18 municipalities.

19 I can tell you in our case that it's anywhere from
20 2 to 8 years to get that project matriculated into the
21 12-year program. In other words, it takes that long to
22 get that bridge, that local bridge, that municipal bridge
23 on the 12-year program and get to the TIP eventually.

24 By the time we get through the planning stage, if
25 we can rationally defend everything we do on that level,

1 you're into the programming world, and that's when you're
2 in the TIP and you get that all important EMS number for
3 that project. It can take at a minimum, you would think,
4 4 years between preliminary engineering, final design,
5 right of way, and all of the mechanisms that it goes
6 through in terms again of that bridge getting funded and
7 getting to the all important point where it's actually
8 implemented.

9 Then you have all the delivery issues, and that is
10 the latter part of the TIP, and that is the myriad of
11 permitting; it is the myriad of overlapping jurisdictional
12 kind of things which are dictated by Federal Highways.

13 We have one example in Crawford and it's an extreme
14 example to be sure, but it's an instructive example. It's
15 the Meade Avenue Bridge that first appeared in the 12-year
16 program in 1993, and I believe it's scheduled to be let or
17 delivered in 2013.

18 MR. PETIT: No, it would be 2012.

19 MR. LYNCH: So that's a period of 19 years and that
20 is an extreme example, but an illustrative example of what
21 the problem is, (inaudible words), but we understand for
22 that \$750,000 rehab or million dollar replacement, we're
23 talking a lag of by the time that that is identified as an
24 issue locally to the time it's being delivered is anywhere
25 from 10 to 12 years nominally.

1 So if you take a look at what that costs us in
2 terms of process, in terms of the permitting, that each
3 bridge or each project is its own entity and has its own
4 permitting requirements, if there's not some way
5 internally that we can develop a white paper from within
6 and maybe submit it to the State TAC through the Northwest
7 District, if there's something that we can do to try to
8 shove these projects along a little quicker to build
9 efficiencies into our projects.

10 It's not so much a failure of planning these things
11 as the whole process when you're talking about your loss
12 of buying power being in the billions, flat lining your
13 dollars to come into the system, as long as the big
14 numbers, and in our case 441 unfunded projects, and we're
15 sort of flat lining, and there's so much hard work on the
16 construction of the bridges and we see the problem
17 clearly, and there's got to be ways that we can do this.

18 I'll just close by saying I wear a dual hat. I'm
19 also the manager of Port Meadville Airport. One of the
20 things if you know anything about general aviation or even
21 aviation is it's an extreme case of metrics that don't
22 work if you understand it. There's an old adage, how do
23 you make tens of millions of dollars in aviation? You
24 start out with hundreds of millions of dollars in
25 aviation.

1 But the reality is that we try to squeeze so much
2 efficiency into what we do on those fields and we really
3 take a look critically at which projects make money and
4 which projects sustain the field, and that's a delicate
5 balance particularly for things that are so marginal, and
6 they're like in many ways a bridge. You know, it's a
7 bridge that you finance and it creates, it feeds the
8 economy, and it gets people places, but at the end of the
9 day, it's a piece of infrastructure and it's always a
10 delicate balance.

11 So we know the kind of efficiency that we try to
12 squeeze out of these places and I'm not so sure we're not
13 doing that at least from a procedural side in the
14 transportation planning.

15 MR. LYNCH: Thank you.

16 MR. WAID: I have one more thing if I could before
17 we close.

18 We found a bridge and it's kind of different. It's
19 an inflatable bridge, and it's inflatable in the process
20 of putting it together, and then once it's put together,
21 you put your matting down, you put your rebar in, you pour
22 your concrete, you put your wearing surface on top of
23 that, and what they're saying here is that this whole
24 process is 11 days from demolition of the bridge to
25 completion of the project, and we just wanted to make you

1 aware of that because we'd like to take this and get it
2 off to an engineering school, civil engineering, so they
3 could evaluate it to see if something like this could be
4 used in Pennsylvania, which may help the local
5 municipalities with these small bridges they have on these
6 secondary roads on their behalf, so I just wanted to
7 present it here today.

8 REPRESENTATIVE MARKOSEK: Okay, that's a
9 fascinating concept and I'm sure others will be listening
10 intently about those kinds of things, but I just have to
11 ask you my elected official question here. You were
12 probably here earlier and --

13 MR. WAID: I heard it before. I just want to let
14 you know that I'm not running for office again!

15 REPRESENTATIVE MARKOSEK: You know, the folks that
16 represent you in Harrisburg need to know, you know, that
17 if they have to be called on to make some tough votes
18 here, that other elected officials are going to back them
19 on it and not grandstand and those kinds of things, and
20 you and I understand how that is because the folks here
21 have to run and we know what that atmosphere is like out
22 there and these are very touchy decisions that have to be
23 made in a very tough economic and political times, so I
24 guess I would ask you, you know, how are you personally
25 and how would the rest of your Commission feel about

1 publicly supporting efforts for us to get more money for
2 PennDOT and others here?

3 MR. WAID: Well, I made the comment before that I
4 always felt the gas tax was kind of a user fee, and if I
5 want to drive a Humvee that gets 4 miles to a gallon, I
6 have a right to do that; if I want to be more
7 conservative, I can run a 4-cylinder Hybrid to conserve
8 that fuel, and I have that right as an individual, so I've
9 never been a strong opponent against the gas tax.

10 The only thing I do know is that the gas tax, once
11 you pass it, it's dead after that. There's no recurring
12 of 2 per cent or 3 per cent a year, and that's the trouble
13 we're into now. We've gone so many years without an
14 increase that PennDOT workers and the State can't get the
15 work done because it's not there with the increase in
16 labor cost and increase in the cost of equipment to do the
17 job.

18 REPRESENTATIVE MARKOSEK: Well, we do have ways of
19 making the gas tax a little more yield, a little franchise
20 tax, and by raising the cap incrementally. Those kinds of
21 things can all work to increase over time the amount of
22 gas tax, so I'll put you down as a yes for something like
23 that.

24 MR. WAID: And I agree with Brad as well when he
25 talked about where is the wasteful spending in the State

1 of Pennsylvania because when I first ran for office, I put
2 a thing in the paper about all the mandates, and a lady
3 wrote a letter in and said, you have to clean your own
4 house first, and we took a look at alot of things, put
5 alot of things out to bid, organized alot of things, and
6 we saved almost \$4 million a year, so we went 10 years
7 without raising taxes, but again, all those other things
8 kept increasing, the cost of heat, the cost of electric,
9 and you know, it finally ate it up over time, so I agree
10 with what Brad said as well.

11 REPRESENTATIVE MARKOSEK: Okay. We cut about, I
12 don't know, about 2 billion last year and it looks like
13 we'll cut at least a billion, if not more, this year so,
14 you know, we have been cutting on a State level. I know
15 it's never enough for some folks, but we're trying to move
16 in that direction.

17 I know that PennDOT 20 some years ago had over
18 20,000 people and they have about 11,000 today, and I saw
19 the slide that said 74 per cent of all the Motor License
20 Fund is outsourced, so I mean, alot of those things don't
21 get enough, unfortunately don't get enough play, and you
22 know, everybody talks about what you can cut instead of
23 what has been cut, so just speaking for myself, I don't
24 think we can cut money on road and bridge work when we
25 have such an old geriatric system, but you know, just to

1 cut funding means essentially to shut the bridge down or
2 shut the road down, so I'll leave it at that.

3 MR. WAID: I can only say for Crawford County, but
4 I think years ago alot of this stuff that we're dealing
5 with today was neglected back then and we're trying to
6 play catch up.

7 REPRESENTATIVE MARKOSEK: We agree with that.
8 Brad, Representative Roae.

9 REPRESENTATIVE ROAE: Thank you, Mr. Chairman.
10 This is probably more of a comment than a question, but
11 Morris touched on it briefly, but sometimes if the
12 citizens get kind of impatient waiting for projects to get
13 done, it's important to reiterate the fact that alot of
14 the delay in alot of these projects, it's the Federal
15 Government.

16 I've gone to bridge meetings before and there's
17 over 30 Federal laws when you're dealing with bridges, you
18 know, like if we have a new bridge. There's a law for
19 fish, for wetlands, for historical preservation, for all
20 kinds of different things, and just all the roadblocks the
21 Federal Government puts up and PennDOT has to follow all
22 the Federal laws, the Counties have to follow the Federal
23 and State laws, so alot of times Counties kind of get beat
24 up a little bit for the bridges, what it takes to fix them
25 and things like that, and I just wanted it to be on the

1 record that the Federal laws are what's really, you know,
2 hurting alot of these things.

3 Thank you.

4 REPRESENTATIVE MARKOSEK: Thank you. Mr. Jake
5 Welsh.

6 MR. WELSH: Thank you and good afternoon. I'm Jake
7 Welsh and I'm Director of the Erie County Department of
8 Planning and I also act as Secretary to the Erie MPO and
9 body responsible for the transportation planning in Erie
10 County.

11 As we all know -- before I get started, I'm going
12 to try not to read the written testimony, and I do have
13 some other comments to make in relation to what some of
14 the other speakers with me right now have said in relation
15 to District 1, but in getting started, I mean, we all know
16 that transportation investments play an essential role in
17 facilitating the vision for any region's future.

18 Speaking as a planner, our County's land use plan,
19 community facilities and utilities, housing, historic and
20 natural resource plans, all of which express the vision
21 for the future of a region and all provide guidance and
22 direction for making sound infrastructure and development
23 investments throughout the region, they're all tied to the
24 region's transportation system, so really when I look at
25 comprehensive planning really it's the transportation plan

1 that's the most important component of any region's
2 comprehensive plan. It really drives the rest of the
3 growth of the area.

4 With that recognition of that relationship between
5 land use, economic development aspirations, and
6 transportation, obviously adequate funding to implement
7 any of the improvements that are needed, it's critical.
8 It's critical to sustaining our existing systems and
9 supporting future growth that we're trying to realize.

10 Erie County, in many ways, I look at it as a
11 microcosm of the Commonwealth. Our land use is diverse as
12 is the Commonwealth's. We have an urban core. We have
13 large suburban areas, small rural villages, large
14 agricultural areas, and undeveloped areas much as the
15 Commonwealth.

16 Most of our population is concentrated along the
17 I-90/Lake Erie shore line. We have about 50 miles of
18 shore line. About 80 per cent of our population, over
19 200,000 people, are along that I-90 corridor, so obviously
20 the relationship between the Interstate system and the
21 highway system, it's a key link in serving the population
22 of Erie County.

23 However, one of the things I did notice when Bill
24 was showing some of the slides that showed some of the
25 out-of-cycle segments, many of those were located along

1 that corridor, and many of those -- obviously they're not
2 the Interstate system, but some of the secondary State
3 routes, some of the other Federal aid routes, where a
4 large majority of Erie County's traffic is, they're out of
5 cycle. They're in dire need of repair, and unfortunately
6 with the focus being on the Interstate system and the
7 major arterial survey of the Commonwealth, and many of
8 those small communities that I referred in Erie County,
9 those secondary roads are really the first to suffer, but
10 they're still seeing alot of traffic.

11 Even though the population in Erie County is pretty
12 stable, we're not a growing county in population. Land
13 use has continued to occur primarily along that I-90
14 corridor and also along the I-79 corridor. Direct
15 relationship between the transportation amenities and
16 where land use and development is still occurring even
17 without any population change, it's stable, and it's
18 directly tied to the transportation amenities.

19 As far as employment and industry in Erie County,
20 Erie's always been recognized as a manufacturing center.
21 We still do in fact even though the manufacturing
22 employment has fallen for the last 3 decades, we still are
23 above the State average and we have over roughly 15 per
24 cent of the work force still employed in that industry, so
25 it's still an important core function that not only the

1 highway system serves but also the railway system, the
2 port, to a lesser extent the airport, so Erie is again an
3 interesting microcosm of the Commonwealth because we're
4 very much a multi-motile county and very active
5 commercially and industrially in each of those modes.

6 There's some other employment sectors that are
7 growing in Erie County, which is a good thing for us, as
8 manufacturing has declined, education, health care, and
9 social assistance, retail services.

10 We still are a very active agricultural area.
11 We're still in the top 10 counties in PA. Our fruits and
12 vegetables operations, most people are familiar with it.
13 We have grape growing in Erie County and it's about 95 per
14 cent of the State's grapes, and I think we're either
15 second or near there in potato production, which I would
16 never guess, so we have a strong agricultural history in
17 Erie County, and again, that type of activity needs to be
18 supported by the transportation system.

19 And then one thing that's been growing in Erie
20 County, it's always been there, but now it's becoming a
21 more growing sector of our economy is tourism. I
22 mentioned the lakeshore. We're host to the Great Lakes
23 Seaway Trail and also the Route 6 Heritage Corridor passes
24 through Erie County, and the millions of dollars that are
25 flowing through the County because of those two corridors,

1 which are highway corridors, and they're internationally
2 recognized in the case of Great Lakes Seaway Trail.

3 It's critical that the maintenance on those
4 roadways is up to snuff, and one thing that PennDOT had
5 started many years ago with the Seaway Trail is to try and
6 make the Seaway Trail in Pennsylvania. It's a 500-mile
7 corridor that stretches through New York and winds up with
8 Ohio's coastal trail but to make Pennsylvania's portion of
9 that corridor more bike/ped friendly, and we recognize
10 that, and we recognize the value of those bicycle and
11 pedestrian facilities as part of the transportation
12 system, and unfortunately, with regards to the funding
13 realities, many of those types of projects never hit the
14 ground. We're not able to do things like widen shoulders
15 so that they're safe enough for bicycle travel and things
16 of that nature.

17 So much of what I'm saying might be kind of on the
18 fringe of what you've been hearing all day as far as the
19 need for transportation dollars, but there are other needs
20 out there to support poor communities.

21 I think that our planning, as Jack mentioned, our
22 core planning and our relationship that the planning
23 agencies have with PennDOT, particularly in District 1, I
24 think, is phenomenal, and I think that the planning end of
25 identifying improvements and doing things --

1 You mentioned cost benefit. We're heavily involved
2 in doing land use transportation studies, and that's how
3 we are really gearing the identification of transportation
4 improvements in Erie County. We're not just looking at a
5 travel demand model. We are really doing corridor studies
6 that really identify land use patterns and what
7 appropriate improvements need to be made to accommodate
8 growth in that community to keep it sustainable, and those
9 are the types of things that are happening not only in
10 Erie County but throughout the District and throughout the
11 Commonwealth, I'm sure.

12 So when that demand is thrown out there that these
13 -- you know, it's a real demand. It's not a manufactured
14 demand. There's alot of good, local, grass roots planning
15 taking place that's identifying these transportation
16 needs.

17 As far as our long-range transportation plan, our
18 revenue projections are dramatically different than they
19 were 4 years ago. The last time we updated our Comp plan,
20 we estimated over a billion dollars of need in Erie County
21 over 20 years, and as Dan mentioned, the requirement to
22 fiscally constrain your long-range plan, we identified
23 revenues, and with the Act 44 revenue, which in 2007 we
24 projected to be nearly \$170 million, we were able to
25 balance roughly 1.3 billion long-range planning in Erie

1 County.

2 With the revised projections, we're nowhere being
3 able to support what our 2007 long-range plan indicated,
4 so we're close to \$700 million short of that goal with
5 some of the trends in funding and where we see the funding
6 going, so I wanted to throw that out there as well.

7 With that, I'll take any questions, thank you.

8 REPRESENTATIVE MARKOSEK: Thank you very much. Any
9 questions?

10 (No response)

11 REPRESENTATIVE MARKOSEK: Gentlemen, all of you,
12 thank you very much.

13 Joe, thank you for waiting and also Susan. You're
14 the last people to come up here but you're first in our
15 hearts! Thank you and we really appreciate you waiting,
16 so Joe, you can proceed.

17 MR. DUBOVI: I'll be as quick as I can, and I don't
18 know about you guys. I give you alot of credit for doing
19 this 5 and 6 times that you're going to go through. I'm
20 pretty hungry about now. My stomach is on a clock, and
21 when your wife has you watching what you're eating, that
22 kind of food doesn't go as far as the good food!

23 I'm Joe Dubovi, District Executive for District 10,
24 which encompasses Armstrong, Butler, and Indiana Counties
25 in the SPC region. It includes Clarion County in the

1 northwest region and Jefferson County in the north central
2 region.

3 We have over 3100 linear miles of State highways
4 including 81 miles of Interstate on I-79 and I-80 and our
5 bridges number over 1600.

6 Our needs are numerous as these example photos
7 show. We've managed our system with the funding provided
8 using the trunk-of-the-tree approach for many years. We
9 focus on the trunk first, which would correlate to our
10 Interstate system. Then we work to the larger branches or
11 our NHS system, and then the smaller branches, which are
12 the nonNHS, greater than 2,000 vehicles, and finally, we
13 address the smallest branches, our roadways with ADTs less
14 than 2,000 vehicles.

15 The problem for us is that we rarely get off the
16 Interstate's NHS system. We hold the rest of our system
17 together with some cyclical maintenance type work, which
18 would be things like shoulder cutting, cracked sealing,
19 seal coating and patching, so that's how we proceed with
20 the rest of the system.

21 Just speaking to the bridges first, we have 470
22 structurally deficient bridges out of 1600, and that's
23 more than a quarter of our bridges are SD. We only have
24 12 of them on the Interstate, 46 on the NHS system, 134
25 that are on the nonNHS system greater than 2,000 ADT, and

1 278 on the less than 2,000 ADT. We have 28 posted
2 bridges, one at 3 tons, one at 10 tons, 19 at greater than
3 10 tons, and then 7 that are posted for one truck at a
4 time.

5 None of the posted bridges are on the Interstates
6 or the NHS system in our District, but within the past
7 several weeks, we've had to restrict lanes on 3 different
8 bridges on the Interstate system or the NHS system due to
9 deterioration of those structures, so we go in and do the
10 repairs as quickly as we can on those types.

11 Of the 470 structurally deficient bridges, 117 of
12 them are programmed on the draft TIP or are under
13 construction right now, and you know, that's about a
14 quarter of what we have there. That's less than 30 a year
15 though. It's not bad, but the problem is due to the
16 deterioration of the rest of the bridges out there, and we
17 add approximately 31 structurally deficient bridges a
18 year, so we take 30 off and add 31 on without making much
19 progress.

20 At the current funding level, we will once again
21 begin to lose ground after we've made some good headway
22 over the past several years.

23 On the roadway pavement side, we have 887 miles of
24 highway rated in the poor category. The majority of it or
25 852 miles is on our secondary system, those with less than

1 2,000 ADT. There are 29 miles on the nonNHS with an ADT
2 greater than 2,000; 4 miles on the NHS system; and 2 miles
3 on the Interstate system. You can see again our
4 philosophy of addressing our needs by the trunk of the
5 tree reflected in these numbers.

6 Actually, with the current funding levels, we won't
7 get off of the trunk or our core roadways and to the
8 secondaries. We need to maintain our primary routes on
9 cycles or we'll slip back into the 1970s where potholes on
10 all our roads were the norm.

11 You can see from this slide that we have over 1200
12 miles of our 3100 miles out of cycle. We're showing
13 approximately 26 miles of paving per year on the TIP for
14 the next 4 years, which won't even keep us on cycle for
15 our primary routes.

16 We presently have 19 unfunded projects for \$49
17 million within the District which cannot be delivered due
18 to the decrease in the Act 44 funds. They include 11
19 structurally deficient bridges, 6 paving projects for
20 about 31 1/2 miles, and 2 safety projects, and at this
21 point I'm sure we all realize we're coming up short.

22 This is a visual of how big the gap is for the
23 District based on the numbers developed by the TAC report.
24 Truthfully, I think those, our number is higher. The
25 estimates per mile that are in there for the secondary

1 system were based on a minimum treatment, and as I said,
2 that's where most of our problem is.

3 Our secondary system is like Gary Hoffman
4 described. It's beyond the minimum maintenance repair, so
5 we need more than a minimum treatment on our secondary
6 system to get it back in shape.

7 Again, this just shows the typical slide from each
8 District on the Transit Authorities and what they've been
9 receiving over the years. Obviously, a cut in the funds
10 they're receiving is going to have major impacts, and as a
11 District, we try to work in cooperation with them to
12 support minor things that we can through funding. We have
13 like Park and Rides and enhancements through SEMAC funds
14 and things like that, so that's it for what we have to say
15 here, short and sweet.

16 REPRESENTATIVE MARKOSEK: Well, thank you very
17 much, Bill, or Joe, excuse me. Representative Mike
18 Carroll?

19 REPRESENTATIVE CARROLL: Thank you, Mr. Chairman,
20 and Joe, this is a question that I've asked alot of other
21 folks. In the spectrum in terms of timing, there's those
22 who believe we can wait and those who believe that it
23 needs to be done immediately.

24 For District 10, what's the answer?

25 MR. DUBOVI: Immediately obviously. We are losing

1 ground on the bridges as it is now.

2 REPRESENTATIVE MARKOSEK: Thank you very much, Joe,
3 and while we're getting ready, I just want to say that you
4 and Bill, and we're going to talk to Dan and Joe Shahura
5 tomorrow morning, and we've talked to all of them
6 throughout the State, and you guys are just all top notch.
7 Our District Executive core is really as good as I've ever
8 seen it, and you guys really do a great job with a limited
9 number of resources, and you're all to be applauded.

10 MR. DUBOVI: Thank you.

11 REPRESENTATIVE MARKOSEK: Susan Smith.

12 MS. SMITH: Yes, the best for last!

13 REPRESENTATIVE MARKOSEK: You've had plenty of time
14 to practice, so welcome.

15 MS. SMITH: Yes. Well, I listened to the whole
16 thing. I want to thank you so much for giving me the
17 opportunity to testify.

18 Again, my name is Sue Smith and I work at the
19 Northwest Commission and serve as the Northwest RPOs
20 regional partner, and I really applaud you for taking the
21 time to come across the State to hear everybody's
22 testimony. It is alot of work and it's alot of time
23 invested, and after traveling across the State and
24 listening to the testimony, I doubt if there's anything
25 that you're going to hear from me that you haven't heard

1 already, but I will share that with you.

2 The Northwest RPOs cover the 4 Counties of the
3 District 1 and one County of District 10, so Clarion, of
4 course, is in District 10 with the other 4 in District 1.

5 This is where our funding was allocated and where
6 we're being proposed funding. You can see that it's a
7 drastic reduction, and over the next 10 years and beyond,
8 unless we take some action, we're going to experience
9 roughly \$10 million in cuts per year, which of course is
10 incremental over those 4 years, looking at \$40 million.

11 The total project, the total funding crisis
12 projects that we're looking at, comes up to \$29 million.
13 There they are broken down into each of the individual
14 counties that we serve. This list, of course, only
15 continues to grow with every year, and of course, the
16 products to maintain those roads go up. More highways are
17 going to be identified each year and more bridges will
18 become deficient as each year passes.

19 Now I also went to the PennDOT web site, and this
20 is a snapshot of all the funding crisis projects across
21 the Commonwealth. The Northwest RPOs is identified there
22 and highlighted. The poor pavement within our District is
23 in red.

24 This doesn't include just the crisis projects that
25 we're looking at. These are the projects that have been

1 identified in addition to them.

2 Next, we have the structurally deficient bridges
3 that have been identified and that's within the Northwest
4 RPOs and here's them together, and as you can see, that 29
5 million isn't going to touch anywhere near the projects
6 that we have identified, and those numbers continue to
7 grow.

8 Lastly, of course there's no question that we have
9 a financial crisis in transportation, and actually, this
10 is a difficult decision for all of you to make. I
11 appreciate the fact that you are keeping informed or
12 want to be informed as far as the impact on those
13 projects. Please consider all the information that you're
14 being given and make the best possible decision that you
15 can.

16 Thank you and I'll answer any questions that you
17 have.

18 REPRESENTATIVE MARKOSEK: Thank you. In that
19 second-to-the-last slide, the one, I think, that had the
20 map with the deficient bridges on it from PennDOT, every
21 district has had the so-called, I like to call it the
22 measles map, where you put it up there and all the dots
23 show the deficient bridges, and it's just astounding when
24 you see it visually like that of how bad, how vast our
25 deficient bridge system and roads and everything else are,

1 and it just boggles my mind.

2 Representative Carroll?

3 REPRESENTATIVE CARROLL: Thank you, Mr. Chairman.
4 Susan, has your Board suggested or come up with a list of
5 recommendations of where we can find funding to try and
6 solve some of those problems?

7 MS. SMITH: Actually, no, we haven't discussed
8 funding those projects. In my opinion, it's going to take
9 alot of different approaches. You're going to have to
10 take in all the information you received and consider
11 that.

12 Of course, we're not sitting at your table so you
13 have more information than we're privileged to know where
14 you can find that funding, and while it's a hard decision
15 for elected officials, I respect what you're doing.

16 REPRESENTATIVE CARROLL: Thanks.

17 REPRESENTATIVE MARKOSEK: You have on the RPOs, you
18 have County Commissioners as part of that?

19 MS. SMITH: Yes.

20 REPRESENTATIVE MARKOSEK: That's a local elected
21 official?

22 MS. SMITH: Yes.

23 REPRESENTATIVE MARKOSEK: How do you think that
24 most of them, I mean, given this picture, do you think
25 most of them would support -- not that they had to do it

1 -- but they would support their legislators and senators
2 in Harrisburg, you know, putting up some --

3 MS. SMITH: I think the people sitting at our TAC
4 understand the issue that we have in front of us and that
5 it's going to take action. Not doing anything is not an
6 option. We have safety in mind. There's alot to consider
7 here.

8 REPRESENTATIVE MARKOSEK: Any other questions,
9 members, no?

10 (No response)

11 REPRESENTATIVE MARKOSEK: Susan and Joe, thank you,
12 and thank you to all our testifiers here today. Wow! It
13 was a great hearing!

14 At this point in time, I'd like to thank the
15 members and staff, of course, PCN, Evelyn, and last but
16 not least Clarion University.

17 One announcement: Our last hearing is tomorrow at
18 11 o'clock at Gateway High School in Monroeville, my home
19 town, and it's going to be another long one and probably
20 another good one, so with that, meeting adjourned.

21 (Meeting was adjourned at 6:50 o'clock, p.m.)

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CERTIFICATION

I HEREBY CERTIFY that the within proceedings are a true and correct transcription of the steno notes reported by me to the best of my knowledge, information, and belief.

Evelyn S. Perry
Court & Deposition Reporter

Dated: June 22, 2010