

**Statement of Ted Leonard
Executive Director
Pennsylvania AAA Federation
Before The
House Transportation Committee
June 13, 2013**

Good morning Chairman Hess, Chairman McGeehan and members of the House Transportation Committee. Thank you for allowing us to participate in today's important hearing on transportation funding.

My name is Ted Leonard. I am the Executive Director of the Pennsylvania AAA Federation which is the state association of the AAA clubs in Pennsylvania encompassing over 3.1 million member-motorists.

AAA was founded in 1902 to ensure the motoring public had adequate roads and highways on which to travel. In fact, the Good Roads campaign in Pennsylvania was one of the founding principles of AAA. Pennsylvania's transportation network has grown considerably since AAA's founding but today, the state's roads and bridges are in poor condition due to decades of underinvestment and deferred maintenance. Several studies in recent years have pointed to the continuing deterioration of the state's highways and bridges due to declining revenue for transportation projects. In a 2010 transportation funding study, in which we participated, study participants determined that Pennsylvania must invest an additional \$3.5 billion annually in the state's transportation system. The funding gap will double by 2020 if not addressed. In our most recent survey of AAA members in Pennsylvania, 54 percent rated the condition of state roads, highways and bridges as Fair or Poor. An overwhelming majority of motorists – 77 percent – agreed that Pennsylvania's highways and bridges are in need of additional funding for repairs. When asked if they would be willing to pay an additional \$2.50 a week for road and bridge repairs, 34 percent responded YES. In a similar study conducted by Dr. Terry Madonna, of Franklin and Marshall College, 59 percent of the respondents believed at least \$2.50 per week per driver is a reasonable investment for improved safety and reduced congestion.

Deficient roads and bridges are a far more serious issue than just cosmetics. According to a 2009 study by the Pacific Institute for Research and Evaluation, roadway conditions are a contributing factor in more than half – 53 percent – of nationwide motor vehicle crash fatalities.

Nationally, AAA has established principles for transportation funding. Some of these include:

- Motorists should receive direct and recognizable improvements to their travel experience if they are asked to pay more.
- Revenues derived from motorists must be dedicated solely to meeting identified transportation needs and protected from diversion to other uses.
- Revenues derived from motorists should fairly represent their use of the system, and all transportation users should bear a proportionate share of financing the system. AAA policy

supports the “user/beneficiary pays” principle with consideration of equity. Alternative fueled vehicles should bear the same responsibility (financial and otherwise) as conventional vehicles for their impact on the roads and congestion.

Earlier this year, the AAA clubs in Pennsylvania sponsored a billboard campaign across the state to help educate the motoring public on the need for funding for the state’s roads and bridges. We are supportive of a sustainable funding package for that purpose. We have a few general concerns for your consideration:

- Expenditures from the Motor License Fund should not be used for things unrelated to transportation infrastructure. Funding for Agriculture Weights and Measure, State Police operations and Welcome Centers take almost \$626 million annually from the Motor License Fund. We believe every effort should be made to maintain the integrity of the Motor License Fund.
- We believe the \$100 surcharge on moving violations is excessive and not relative to the underlying offense.
- We would prefer the removal of the Oil Company Franchise Tax cap on an odd year basis over 5 years rather than an every year basis over 3 years.
- We believe that vehicle registration should remain annual or allow for an optional two-year registration since the proposals increase fees, fines, etc.
- Taken together, the motorist could see a large increase in the cost of driving. Fees will continue to increase with inflation in perpetuity without a department review for affordability. The fee structure should be reviewed every 3 to 5 years to evaluate impact on the motorist.
- Without a long-term funding solution for Mass Transit when Act 44 sunsets, we are concerned that the fallback position will be to further raise the surcharges and “unprotected” fees paid by motorists.
- The Messenger Service Fees were increased significantly in the Senate proposal. The annual registration fee was raised 284 percent (\$50 to \$192) and the branch fee raised 280 percent (\$25 to \$95). This represents thousands of dollars in additional cost for these services.

AAA remains committed to advancing responsible long-term solutions to meet the transportation challenges of the future. We commend the Governor and the Legislature for acting on this important issue. We will work closely with the Administration, legislators and stakeholders to reach a solution that is fair and equitable to all users of our transportation system.

Thank you.