



**Testimony of Katherine Hetherington Cunfer
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Before House Transportation Committee
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Good morning Chairman Hennesey, Chairman Carroll, and members of the House Transportation Committee. Thank you for the opportunity to speak with you today and share the concerns of the nearly 1,000 Great Reading Chamber Alliance (GRCA) members with the Pennsylvania Department of Transportation's (PennDOT) P3 Bridge Tolling Proposal and specifically the proposed tolling of Route 78's Lenhartsville Bridge. Accompanying my testimony is an individual impact statement from GRCA member Burns Logistics who will be adversely affected by this inequitable tax.

GRCA Opposes P3 Bridge Tolling Proposal

As originally stated in our letter to PennDOT Secretary Yassmin Gramian dated March 4, 2021, the members of GRCA are opposed to the proposal to implement tolling of select bridges in Pennsylvania. We understand the need for sustainable funding solutions for infrastructure projects, but this proposal is neither equitable nor targeted to the problem it seeks to address.

This proposal unfairly selects winners and losers. Berks County manufacturers, distribution centers, small businesses, and employers find themselves on the wrong side of this toll. The positioning of the Lenhartsville 1-78 toll and the others are intentional because they stand between businesses in Pennsylvania and regional customers. A key selling points for recent economic development in eastern Pennsylvania has been our close driving proximity to 60% of the US population through three major markets. Year over year, Berks County continues to add jobs in our robust essential manufacturing sector, and we are just starting to see gains in employment in the warehousing, logistics, and distribution sector. The positioning of this toll, which is just an additional tax, will literally choke off a developing industry in Berks County. It directly harms our existing businesses and the ability to grow our local economy while our neighbors to the east are spared. This is not an equitable solution.

Local Infrastructure Burden

GRCA member businesses also oppose this proposal due to the burden it will have on local roads as trucks and other motorists seek out ways to circumvent the tolls. This will lead to additional wear and tear on these side roads, causing unnecessary congestion, and increasing the potential for dangerous traffic incident. While we agree that the bridges identified need repair or complete

replacement, for some, their proximity to alternate routes and the potential for major traffic pattern problems make the prospect of tolling them inappropriate.

The Lenhartsville Bridge is a specifically problematic location due to the steep grades and tight turns for the ramps connected to that bridge. Motorists and truck drivers not familiar with the area have the potential to increase traffic incidents that could lead to tragic results. This section of Route 78 is over 50 years old and has been part of the requests for upgrades for decades. The inclusion of this specific bridge is a result of PennDOT “kicking the can down the road” on this section of the highway long after it should have been addressed.

Use of Tolling Funds

This proposal does not limit the tolls collected to being utilized to fix the bridge(s) being tolled. PennDOT has been clear that the funds generated from these tolls would be used for these bridges as well as other infrastructure projects, as needed, for the next 30 years. Sec. Garmian has also voiced her preference for the legislature to amend Act 89 of 2013 to allow these tolls to become permanent. Pennsylvania already has the second highest gas tax in the country and the most paved roads per square mile but ranks 46th for miles driven per resident according to 2018 Federal Highway Administration data. These troubling statistics, coupled with continued mismanagement of this fund is why it is still not adequate to pay for our infrastructure needs. This toll would cause Berks County businesses and their employees to pay for the same infrastructure projects twice, on a daily basis, while other portions of the state pay less and get the same level of service. We do not need to spend time on another funding scheme that does not actually meet all the identified needs of infrastructure funding and continues the pattern of collecting revenue that doesn't ultimately go to the projects originally identified.

Many local trucking companies have expressed that while they are comfortable with paying for realistic transportation infrastructure costs, they are continually frustrated that the taxes they pay are being used for so many other unrelated things. Margins in the trucking industry are between 2%-4% and another toll will either need to be borne by the company or passed on to the consumer, hereby raising prices on top of rising inflation and supply chain disruption. Additionally, based on the recent news from the Pennsylvania Turnpike where they lost nearly \$104 million in tolls in 2020 due to their conversion to all electronic tolling with plate reader technology, the amount of money PennDOT could expect to collect via these should be drastically reduced. This failure could lead to the tolling systems costing more to install than revenue generated to address infrastructure problems.

With the impending passage of the \$1.2 trillion federal bipartisan infrastructure package that will include \$110 billion in funds for Pennsylvania on top of the already passed \$1.9 trillion American Rescue Plan Act, we would encourage PennDOT and the administration to pause on proposals such as bridge tolling and several other inequitable taxation proposals reported out from the Transportation Revenue Options Commission to utilize these federal funds first. With the existing gap closed, we would encourage PennDOT, the administration, the legislature, and stakeholders to come together to work in a collaborative manner to finally address the recognized transportation infrastructure funding imbalance that already exists. Act 89 and its predecessor Act 44 of 2007 sought to fix this, but revenue continues to lag behind the identified need because

funds continue to be diverted to important, but fundamentally ancillary, other governmental operations. To quote the 2019 audit of the Motor License Fund post Act 89, the nearly \$4.25 billion already diverted to the State Police since FY 2012-13 could have cut the existing list of structurally deficient bridges in half and “if PennDOT could use all of the gas tax money for roads and bridges we could get that number to zero in about 5 years.”

Recommendations

As part of this comprehensive overhaul, we would advocate that the entire transportation infrastructure funding structure be reviewed, explained in a more transparent matter and all of the truly non-transportation infrastructure costs be removed from the fund. The department will need to look harder to find operational and project cost efficiencies as well. The definition of this restricted fund should be refined so that it can only pay for transportation infrastructure costs, as intended. As we remain in a precarious economy, there is no better time than now to take a holistic look at the entire budget process and adopt a more sustainable solution for a positive future.

We also advocate to reduce the additional costs associated with infrastructure development projects such as cumbersome and time-consuming environmental permitting and unnecessary litigation often used to slow down development projects. With the large infusion of federal infrastructure funding Pennsylvania has and will receive in 2021, it would be in the best interest for all citizens to streamline these processes so that all available funds are utilized within the existing federal deadlines. Anything less would be a gross mismanagement of our tax dollars.

In closing, the GRCA was a strong supporter for the passage of Act 89 since it sought to address infrastructure funding in an equitable manner. We remain dismayed that the increased revenue from this Act was not solely dedicated to infrastructure funding as was its intent. We steadfastly oppose the P3 Bridge Tolling proposal because it is an unequitable tax that does not adequately address the funding needs of our infrastructure system and ask that PennDOT rescind this proposal.