

**Governor Edward G. Rendell's Remarks to Senate Transportation Committee
Wednesday, July 21, 2010**

(Remarks as prepared for delivery – this is not a transcript)

Senator Rafferty, Senator Stout and members of this committee, thank you for giving me the opportunity to present testimony on the urgent need to fund Pennsylvania's transportation infrastructure.

As you know, when I became Governor in 2003, we were spending \$260 million a year to repair our bridges. Together we increased our expenditure on repair our bridges to close to \$800 million annually. And, with the aid of stimulus dollars, we spent a \$1 billion on bridge work. In 2008, with your cooperation we began a prudent bond-financed Accelerated Bridge Program to repair an additional 1,145 structurally deficient bridges over the next three years. We front-loaded the expenditures of nearly a billion dollars a year to undertake these repairs.

As a result, Pennsylvania is implementing the most aggressive bridge repair program in the nation. To date, with the help of stimulus funds, PennDOT has already exceeded its promise to deliver the 1,145 structurally deficient bridges by the end of 2010. Contracts to rebuild over 1,300 bridges are complete or underway.

Yet, because of the advanced age of so many of our bridges, nearly 300 more bridges become structurally deficient each year. So even at our current accelerated rate of repair, it would take 25 years to eliminate the backlog.

And as you know we do not have sufficient funding to continue this accelerated repair program beyond 2011. With the loss of Act 44 funding, it would take more than 50 years to eliminate the backlog.

I thought it would make sense to share this stunning visual with you that depicts the location of every structurally deficient bridge in the state. With one out of every five bridges in the state in need of repair you can see that we have structurally deficient bridges on most of the major and secondary roadways in the state.

Let's delve into this map just a bit. I have taken some time to look at the structurally deficient bridges in districts of members of this committee. There are 1,970 structurally deficient bridges in your districts collectively. Every member of this committee has bridges in his or her district that need significant repairs. But, of every member of this committee, Senator Scarnati has the largest concentration of bridges in need of repair with 445 structurally deficient bridges traveled by 871,000 vehicles every day, that's nearly a million cars and trucks every day crossing bridges that need repair in only one Senator's district.

Senator Don White takes second place with 352 structurally deficient bridges, and those bridges support the travel of nearly three quarters of a million vehicles per day.

Senator McIlhinney has 111 bridges in need of urgent repair and those bridges support traffic counts that top 700,000 vehicles a day.

Senator Rafferty, in your district, there are 65 bridges in urgent need of repair. Senator Stout you have 329 SD bridges that require immediate attention.

And while Senator Tomlinson has a relatively low number of bridges that need urgent repairs, those 43 bridges are used by nearly 600,000 cars and trucks every day.

And Senator's Kasunic and Hughes each have bridges crossed by nearly a half a million vehicles a day that must be repaired.

Before we leave the bridges, I brought with me some pictures from PennDOT. These pictures are on the state website and are available for every citizen to see.

Senator McIlhinney will know this bridge right off the bat, the River Road Bridge that crosses the Delaware Canal.

Senator Scarnati knows that the Rt. 3001 bridge over Elk Run is in terrible need of repair.

Senator Rafferty, I know you are familiar with the terrible condition of the Monocacy Creek Bridge in Collegeville.

And Senator White, this picture of the Route 119 bridge over Tide Road in Homer City, is clearly a bridge that is in need of attention.

Senator Earll, I think you have seen the problems on the Ridge Road Bridge in Erie.

Senator Boscola, the Cementon Bridge in Whitehall Township needs to be completely replaced.

So does the bridge very close to my home on Ridge Avenue that runs over the AMTRAK line in Senator Hughes' district.

Now let's move to roadways. If you lined up all the miles of Pennsylvania roadways in need to repair they would stretch across the entire country three times. We have 10,000 miles of roads that need to be repaved and we won't be able to afford to do so. Out of those 10,000 miles of road, 7,000 miles are already in "poor" condition and urgently need our attention.

Again, I looked at this data pretty closely. Just among the members of this committee, there are 2,377 miles of road in need of repair -- most of those miles are in urgent need of repair -- and these roadways carry over 7.4 million vehicles a day. I've taken the liberty of providing for each committee member a list of the roadways in your districts that need repair.

When it comes to roads that need substantial immediate repair, Senator White has the most miles in his district, with 535 miles of bad roadways.

Behind him Senator Scarnati has 484 miles in need of repair. Although these roads are primarily rural, they are traveled by more than 800,000 vehicles per day.

Senator Stout's district has 357 miles of poor roads carrying 520,000 daily vehicles.

Of course, since they are from the southeast, Senator Hughes' and Tomlinson's districts each have less than fifty miles of state roadways in need of repair, but those roads support the travel of approximately a million vehicles a day.

Senator's Boscola, McIhenney and Rafferty each have less than 100 miles that need urgent attention; those roadways support the travel of over 700,000 vehicles a day.

The rest of the Committee members have a combined 663 miles of poor roads that serve over 1.6 million vehicles per day.

Again, I would like to share with you pictures of some of the roads in your districts that need to be rebuilt and resurfaced.

Senator Gordner you have some bridges that are clearly in need of repair in your district and roads as well. For instance, State Route 42 in Centralia, Columbia County needs base repairs and resurfacing. State Route 45 in Northumberland County from Montandon to the Montour county line needs complete pavement restoration.

Senator Stout I know that you are concerned about the condition of the Route 40 between Beallsville and Centerville and Route 18 between Atlasburg and Burgettstown in Washington County and you should be. Both need resurfacing, but lack funding.

Senator Tomlinson, you get a two-for since US Route 1 from Old Lincoln Highway to Route 413, needs to be rebuilt and so does the US Route 1 bridge where it crosses over Route 213.

Not one of examples I shared with you today, of a failing road or structural deficient bridge will be repaired under the current funding system.

And, keep in mind that in the last year and a half, with an extra billion dollars in federal stimulus funded projects under contract, we repaired 872 miles of roadway. The remaining 30 percent of those funds will be completely spent next year which means the pace of road repairs will drop dramatically by the end of this fiscal year. As a result, over time the miles of road in need of repair will skyrocket.

While the exhaustion of the stimulus funds is a given, the fate of filling the hole created by the loss of the I-80 annual toll revenues of \$472 million rests in your hands. If the legislature ignores this problem this year, we will not have sufficient funds to repair 449 structurally deficit bridges and 806 miles of failing roadways and they will continue to erode.

I want to take a minute to share with you exactly what it means if you do not at least enact a substitute funding source for the loss of the I-80 tolling revenues:

Senator Rafferty, the reconstruction of 422 in Lower Pottsgrove and North Coventry townships, a \$75 million road repair project, is not going to happen at all.

Senator Stout, the \$21 million improvement to the road and bridges on U.S. 19 in and near Morrisville, a project that affects nearly 24,000 commuters is not going to go to bid.

Senator Boscola, in Northampton County, the Hecktown Road bridge and the bridge on County Club Road over U.S. 22, projects that require \$4.5 million, will not take place.

Senator Gordner, nearly 12,000 vehicles cross the U.S. 522 bridge over Middle Creek every day, that \$4.5 million bridge replacement will not commence.

Senator Earll, over 30,000 cars, buses and trucks travel on American Veterans Memorial highway through Harborcreek, Millcreek and Greene Township every day. The \$2 million resurfacing project needed to repair that 11 mile stretch simply will not be done.

Senators Pippy and Fontana, 46,000 people travel on the I-79 Bridge over Neville Island and the Ohio River every day. That's a \$33 million bridge preservation project that is off the drawing board.

You also know that at a minimum without replacing the I-80 tolling revenues, our transit systems may not win their struggle to stay afloat. The good news is that our transit systems are not lacking in customers. The problem is that they simply don't have the funding to replace aging or broken buses or trains and as a result they are losing their customer base. And, to make matters worse there is considerable pent up demand from new customers but they need to the transit agencies don't have any money to expand their fleet to meet this new demand.

Nearly every member of this committee represents communities that are dependent on a highly functioning mass transit system. Without additional funding, the capacity and quality of service offered by every single transit system in this state is at risk.

I know that Senator's Rafferty and Stout and I the two Senators from the Pittsburgh area are aware that the Port Authority which operates the local mass transit system will face a \$47 million deficit this fiscal year, if we ignore the funding gap created by the loss of the I-80 tolls. Other transit agencies will face serious shortages in their capital budget forcing them to put off repairs will improve safety or ridership or both.

Four members of this Committee represent communities in Southeastern Pennsylvania where SEPTA operates. Let me show you some stunning pictures of bridges used by suburban rail lines that serve three of your districts.

Senator Rafferty, here is a bridge carrying the Route 100 Norristown line built in 1906 which serves 8,900 daily riders.

Senator Hughes, this bridge built in 1910 over Hunting Park Avenue carries the Chestnut Hill West R8 line and its 5,400 daily riders.

And Senator Tomlinson, this West Trenton R3 line bridge was built in 1891 and carries 12,400 riders daily.

All of these bridges are in immediate need of being replaced or rehabilitated. If we need to shut down or weight limit these bridges the impact on the regional economy will be harsh and citizens will be outraged. And they will be right. The only thing stopping the repairs that are needed is the will to enact legislation that authorizes the revenues sufficient to pay for these repairs.

It seems to me that the question is not whether we need to address the funding gap created the loss of the I-80 toll revenue, and there is no real dispute about whether there is a \$3.5 billion road, bridge and transit infrastructure need as outlined in the updated report from the Transportation Reform Commission's report released last May. We simply lack consensus on the answer to the question of how to generate the revenues.

I realize that your committee is working hard to pass a public-private partnership, or P-3, bill. I understand there has been an excellent cooperative effort involving the staffs of both the Senate and House Transportation Committees and further there are only a few minor remaining open issues that need to be resolved. I commend you for that work and I urge you to work closely with PennDOT on the final language of your bill.

I am optimistic that if we work together with you and your colleagues in the House we can enact P-3 legislation this summer. I look forward to signing this legislation to law. But as I said when I addressed the Special Session on Transportation, "they can be included as part of any long-term strategy, but we all recognize that the public-private investment model cannot produce funds immediately or fill the funding gap we face over the next three years."

While passing P-3 legislation would enable us to attract private capital to rebuilding some of our roadways, the citizens of this state, their safety, their economic prosperity and the quality of their lives is inextricably linked to solving our transportation funding crisis, and doing so this year.

I suggest that you take a serious look at employing technology to cut down on reckless drivers who don't have insurance. PennDOT is eager to work with you identify the optimal places where cameras can capture license plate numbers that are cross-referenced with Pennsylvania driver's insurance records so we can identify those drivers who are on our roads and are uninsured. Drivers without insurance put all other drivers at risk so for that reason alone we should be deploying this technology. And by doing so, our estimates suggest that the Commonwealth could generate over \$100 million dollars a year in revenues. This approach makes abundant sense with respect to both driver safety and basic fairness, and it will generate a substantial sum of money that should be directed, in its entirety, to support our transportation infrastructure needs.

As you know I have long been an advocate of passing an oil company excess profit tax. It is ludicrous that companies like Exxon and BP, companies that are reaping enormous profits, do not have to pay us any tax on the profits they make on the sale of their product in Pennsylvania. I remain convinced that this is the most appropriate and fairest way to raise the bulk of the funds we need to keep the driving public safe and our mass transit systems viable.

Should you not pursue this approach, I have been clear to say that I will sign legislation that increases the sales tax. We currently have the thirteenth highest gas tax in the nation. Part of our gas tax is collected on the average wholesale price of gas sold to distributors; this is known as the Oil Company Franchise tax.

In 1981, the Legislature capped this tax on the wholesale value of gas at \$1.25 per gallon. Today, the wholesale value of gas is \$2.15 per gallon. And many of you were here in 1997 when Governor Ridge increased the millage rate of this tax raising \$196 million in new revenues without lifting this cap.

Senator Stout has called for uncapping that tax, an action that would generate \$910 million annually. It would also result in a 14-cent price per gallon increase at the pump. If, instead, you set the rate midway between the wholesale price and the market price, let's say at \$1.80 per gallon, an additional \$558 million would be available for our transportation improvement needs and the price at the pump would climb by nine cents. It makes sense to consider this option.

The other element of the gas tax is the flat tax at the pump which is 12 cents per gallon. The last time this tax was increased was in 1983. You could index that tax to inflation, which would essentially translate into a four-cent increase per gallon at the pump, and generate \$247 million a year. That's slightly more than half of the \$472 million Act 44 funding hole.

The last time the Pennsylvania driver's license fee was raised was in 2003. For every dollar the fee is increased, the Commonwealth generates \$2.4 million.

Similarly, vehicle registration fees, currently set at \$36 annually for cars, were last increased in 1997. Every dollar increase in this fee generates \$8 million.

The last time truck registration fees were increased was also 1997; updating these fees for all classes of trucks would generate \$83 million annually. In fact, by updating all vehicle-related fees consistent with inflation, Pennsylvania would generate \$327 million annually.

I am convinced that our citizens will support our measures to update our gas taxes and fees if they are confident that those funds will be used entirely to repair our roads, bridges and support the safe and robust operation of our mass transit system.

Frank Lutz, a prominent Republican pollster, conducted a poll on infrastructure issues. The most startling finding was that when it comes to the gas tax, he found that six in ten

Americans, Republicans and Democrats alike, believe that the federal gas tax is automatically increased each year.

There are two reasons that taking note of this belief is important. First and foremost, the fact is that the federal tax hasn't been raised since 1993. And second, the survey proves that Americans expect annual gas tax increases to pay for the costs of maintaining our transportation systems.

I want to close today by sharing one more set of facts with you. Every dollar we invest in infrastructure repairs puts Pennsylvanians to work.

In just one month (June 2010), on top of the 8,448 Pennsylvanians working on stimulus funded construction sites to repair our roads and bridges, there were 2,957 additional people at work in our factories making the asphalt, steel and concrete to fill our Stimulus orders.

With stimulus funds we increase by a billion dollars the work we completed in a year. In that year, we purchased 4,300 more tons of steel, pushing our steel purchase up 43 percent in just ten months, in 2009, compared to what we purchased in all of 2008. And what's important here is that 50 percent of the steel purchased was made in Pennsylvania.

We purchased 400,000 more cubic yards of concrete, representing a 40 percent increase in ten months compared to the amount we purchased in all of 2008. And 95 percent of this concrete is made in Pennsylvania.

And we purchased 3.2 million tons of asphalt, increasing our state asphalt purchase by nearly 50 percent in these ten months compared to all of 2008. Every bit of that asphalt is made right here in Pennsylvania.

Our citizens know that infrastructure is a good investment, is an urgently needed investment and it's the soundest strategy we can implement to stimulate the economic recovery.

I believe the best strategy is to identify the resources necessary to address the entire transportation funding gap of \$3 billion. I am willing to work on solutions that generate fewer funds. But I am not willing to let this issue be ignored. I urge you as leaders and committee members to work every day this summer so that before the end of this year, a real, lasting transportation funding solution is enacted.

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