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HOUSE DEMOCRATIC POLICY COMMITTEE

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**House of Representatives**  
COMMONWEALTH OF PENNSYLVANIA

**HOUSE DEMOCRATIC POLICY COMMITTEE HEARING**

**Topic: Transportation**

**Monroeville Borough Building – Monroeville, PA**

**March 14, 2019**

**AGENDA**

- 2:00 p.m. Welcome and Opening Remarks
- 2:10 p.m. Panel One:
- Cheryl Moon Sirianni  
District 11 Executive, Pennsylvania Department of Transportation
  - Charles Duncan  
Director of Legislative Affairs, Pennsylvania Turnpike Commission
- 2:40 p.m. Panel Two:
- Katharine Kellemen  
CEO, Port Authority of Allegheny County
  - Mary Ann Bucci  
Executive Director, Port of Pittsburgh Commission
- 3:10 p.m. Rich Fitzgerald  
Allegheny County Executive
- 3:30 p.m. Panel Three:
- Richard Barcaskey  
Executive Director, Constructors Association of Western Pennsylvania
  - Chris Petrone  
Legislative Director, Local 66 IUOE
  - Daniel Laird  
Project Management/Legislative Outreach Coordinator, A&A Consultants
- 4:20 p.m. Closing Remarks

Testimony on Transportation Issues in Southwest Pennsylvania

Cheryl Moon-Sirianni

District Executive, Engineering District 11

Pennsylvania Department of Transportation

House Democratic Policy Committee Hearing

March 14, 2019



Good afternoon committee members and staff. I am Cheryl Moon-Sirianni the District Executive for PennDOT's Engineering District 11. Thank you to Representative Markosek for hosting this hearing and to the Policy Committee for the opportunity to testify before you and discuss transportation issues across Pennsylvania and how they relate to District 11.

PennDOT is broken up into 11 Engineering districts. District 11, which I represent, is comprised of three counties: Allegheny, Beaver, and Lawrence. We are responsible for 2,569 miles of state highways, or 5,923 lane miles, nearly 1,800 bridges, four tunnels, and 112 miles of interstate. While the district is small in area in relation to other PennDOT districts, we face significant challenges of maintaining rural, suburban, and urban roadways in our region. Allegheny County has more vehicle miles driven annually than any other county in Pennsylvania.

Testimony from my counterparts to this committee have warned that the Commonwealth was operating on a \$3.5 billion gap between identified transportation infrastructure needs and the current funding allocation. In a 2011 report by the Transportation Funding Advisory Commission, transportation infrastructure needs in 2010 were \$8.3 billion. While \$8.3 billion was needed to properly maintain and address our transportation network, only \$4.8 billion was being invested in transportation. In 2019 that problem has only grown.

The Transportation Funding Advisory Commission reports that current funding needs have increased from \$8.3 billion to \$11.5 billion, a 38.5% increase since 2010. The increase is due to increased construction costs and the continued deterioration of our network as a result of inadequate funding. With current federal and state funding at \$8.6 billion, our unmet need for 2020 is now projected to be \$7.2 billion, more than twice the \$3.5 billion in unmet need from 10 years prior.

Currently Pennsylvania has the second highest number of bridges in poor condition in the nation with nearly 2,900. Our bridges are a critical part of our state transportation system, with most over 50 years old and exceeding their design life. We must continue to invest in our bridge program to address bridges in poor condition and keep more bridges in good condition.

Another area that requires critical resources are our interstates and roadways, but the interstate system is funded at less than 50% of basic cyclic need. Each year approximately \$460 million is allocated to interstates, yet the funding needed to simply conduct cyclic maintenance and get to a state of good repair should be \$1.2 billion, more than double the current allocation. Even more funding is needed to fully address reconstruction needs, modernization, and to make strategic investments to address freight movement needs and capacity issues. Funding for the National Highway system is even more dire. Excluding the Interstate portion, the National Highway System roads are currently funded at \$742 million, but the cost of basic cyclic maintenance is \$2.2 billion, triple our annual investment.

Governor Wolf has recently proposed Restore Pennsylvania, a major infrastructure initiative which will begin to address some of these needs. Restore Pennsylvania will provide funding for local road upgrades, create new flexible funding options for businesses that need local infrastructure upgrades to enable development projects, and multimodal and large-scale capital projects for transit. This new initiative will also accelerate progress of projects to resurface,

repave, and repair four-digit roads and provide technical assistance and funding for dirt and gravel roads throughout the state. It will create a flexible funding tool to enable capacity upgrades needed to support development where Transportation Infrastructure Investment Funds are not available. Restore Pennsylvania is an important first step in addressing the Commonwealth's infrastructure needs.

While District 11 faces a host of infrastructure challenges, I would like to take this opportunity to focus on two specific issues. The first problem relates to landslides. As many of you are aware, a devastating landslide occurred on Route 30 in April of 2018 forcing the evacuation of an apartment complex, homes, and businesses, as well as, closing the roadway for over two months. Fortunately, no one was injured in this catastrophic slide, but we can't guarantee that will be the case in future events. Through Herculean efforts of state officials, contractors, consultants and many other organizations, we were able to resolve this emergency expeditiously. However, Route 30 is only the tip of the iceberg that my district and other southwest regional districts face in dealing with landslides. In District 11, we have over 85 active slides impacting our roadways. The cost to repair all of these slides would total over \$60 million. Currently, we have funding for approximately \$6 million in repairs. With record rainfalls and extreme temperature swings dramatically impacting the freeze/thaw cycle, we anticipate more and more slides. In fact, just last week we cleared a slide on Bunola River Road in Forward Township only to have another slide occur three days later, closing the road, impacting motorists, and stretching our maintenance staff and budget.

Secondly, according to the INRIX 2018 Global Scorecard released on February 11, 2019 Pittsburgh ranks 7<sup>th</sup> among the most congested urban areas in the United States resulting in 127 hours lost in congestion for the average motorist. In addition, Pittsburgh has the 5<sup>th</sup> most congested Interstate in the United States, I-376 the Parkways West and East between I-79 in Collier Township and I-76, the PA Turnpike in Monroeville. Each of the nearly 100,000 drivers experience 18 minutes of daily delay or 72 hours annually as they travel this 26-mile stretch of I-376. Although this portion of I-376 has a 55 MPH posted speed limit, travel speeds average less than 15 MPH during peak hours at several locations throughout the corridor. This congestion not only results in lost time and money for daily commuters, but also results in higher than expected crash rates. On the Parkway West, this congestion is due to several bottlenecks along the corridor, including the Carnegie, Green Tree and Banksville interchanges as well as the Fort Pitt Bridge. The cost to modernize these interchanges and to employ Active Traffic Management strategies along the corridor approaches \$325 Million. Improvements at the Carnegie and Green Tree interchanges are currently in the early stages of design, but are not funded for construction. On the Parkway East, Active Traffic Management strategies between downtown Pittsburgh and Monroeville along with improvements at the Bates, Squirrel Hill, and Edgewood/Swissvale interchanges would cost nearly \$110 million, while only \$500,000 in preliminary engineering funding is currently committed.

Thank you for the opportunity to present on Pennsylvania and District 11's transportation issues. I welcome any questions the committee has for me at this time.



# **PA TURNPIKE COMMISSION**



**House Democratic Policy Committee**

March 14, 2019

# WHERE DOES YOUR TOLL DOLLAR GO?

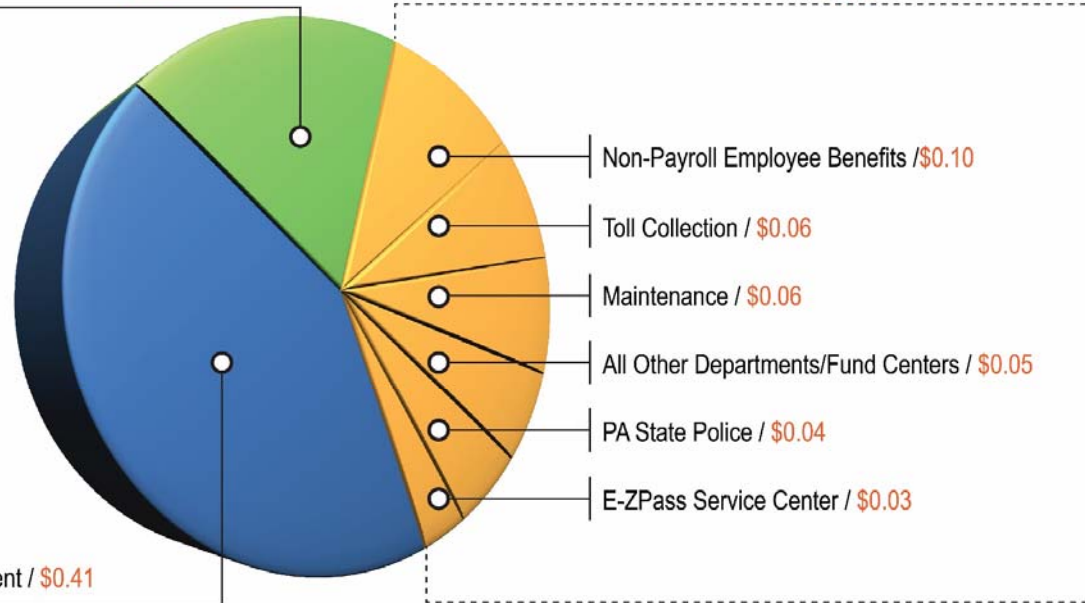
## WHERE DOES YOUR TOLL DOLLAR GO?

Total = \$1.00

2012 TOLL DOLLAR		
ACT 44	\$0.18	↑ 7¢
OPERATING EXPENSES	\$0.40	↓ 6¢
CAPITAL IMPROVEMENT	\$0.42	↓ 1¢

Act 44 Supplemental Funding / \$0.25

Operating Expenses / \$0.34



\*The amount listed for capital improvement and related financing includes the paygo portion of our capital plan, debt service on our Mainline Senior debt and other costs financing our Capital program.

\*Information presented is as of FY17

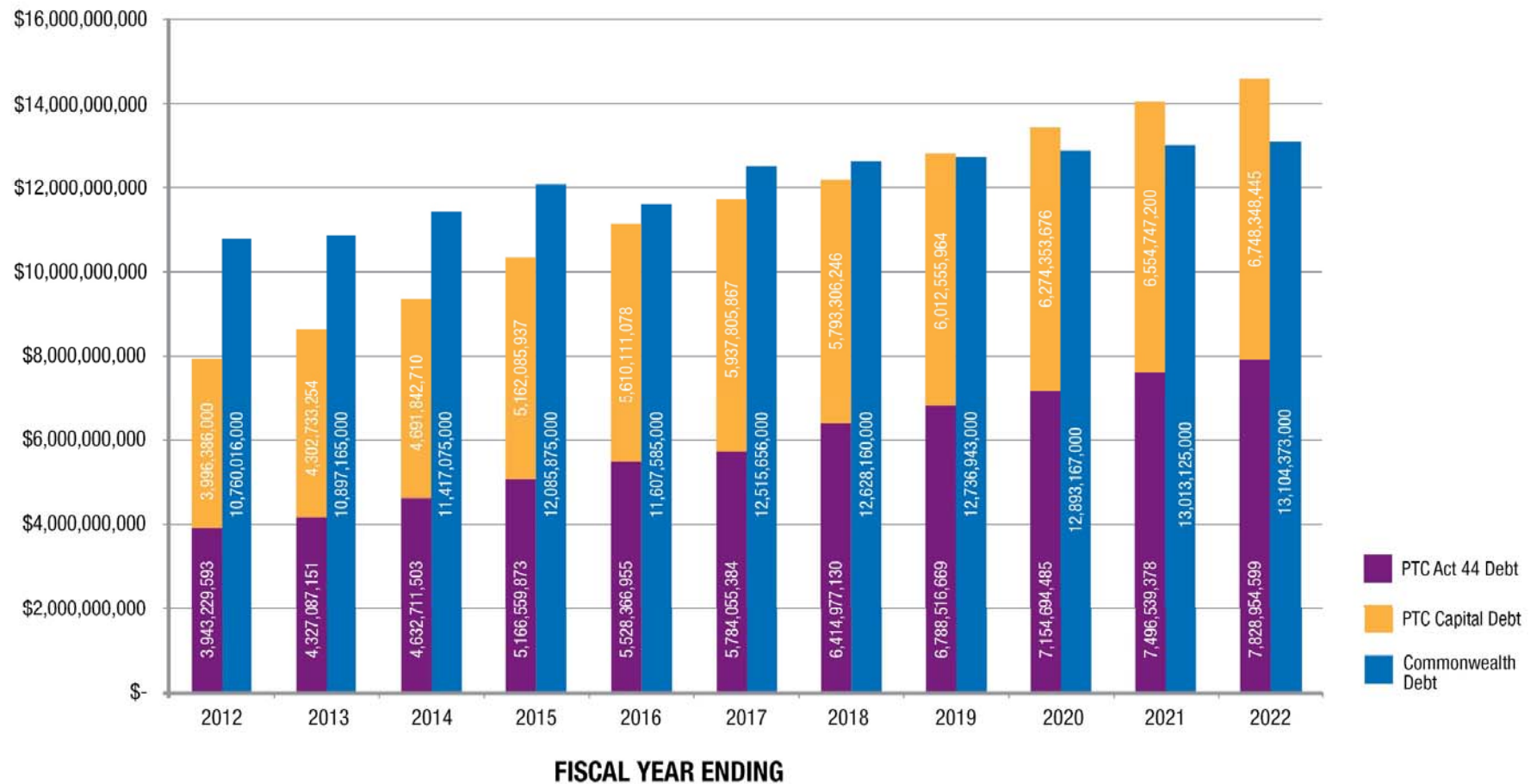
# OFF-TURNPIKE FUNDING

ACT 44 PTC CONTRIBUTIONS				
\$ in billions				
	2007-2017	2018-2022	2023-2057	TOTAL
HIGHWAY and BRIDGES	\$ 2.250	\$ -	\$ -	\$ 2.250
PUBLIC TRANSIT	\$ 3.400	\$ 2.250	\$ 1.750	\$ 7.400
	\$ 5.650	\$ 2.250	\$ 1.750	\$ 9.650

**CURRENT PROGRAM though FY22** = \$450 million in annual funding contributions

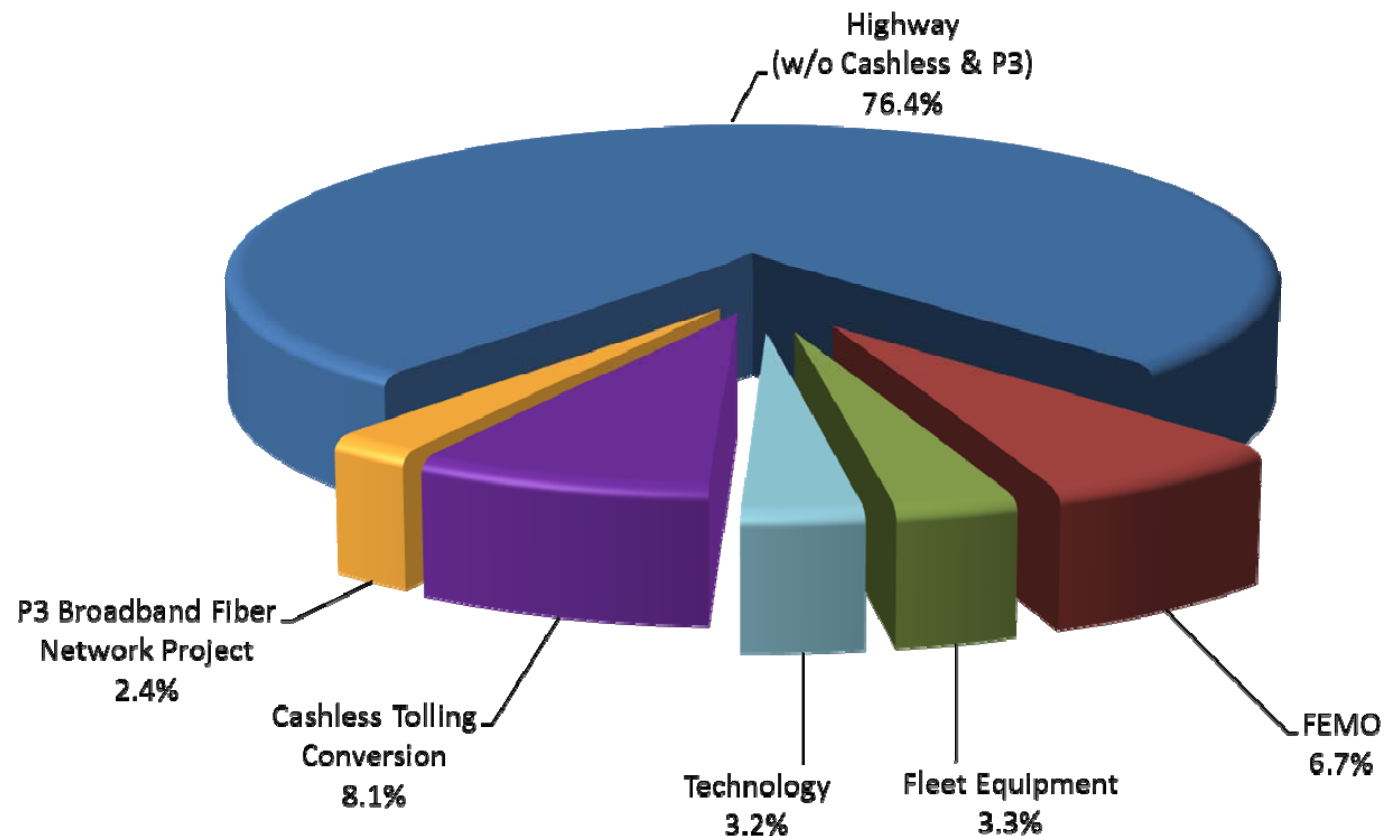
- \$420 million for public transit (capital and operating)
- \$30 million for multi-model transportation

# PTC VS PA GENERAL OBLIGATION DEBT



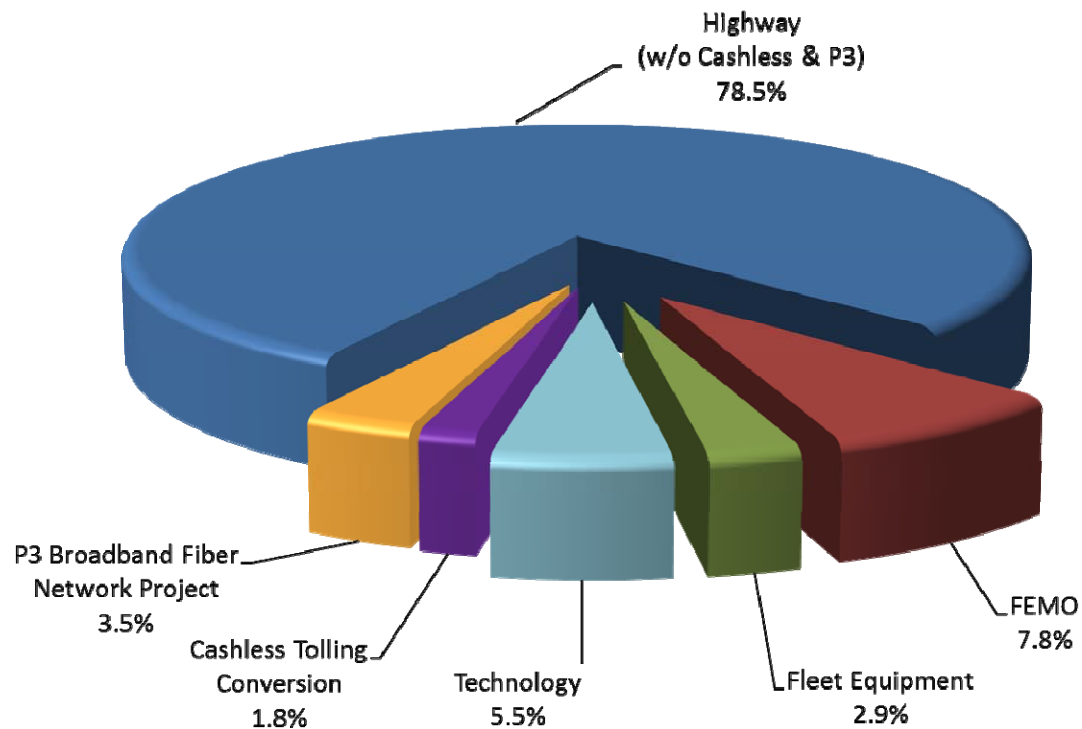
# CAPITAL INVESTMENT

**FY 2019 Capital Plan Ten Year Total = \$5.85 Billion  
By Program**



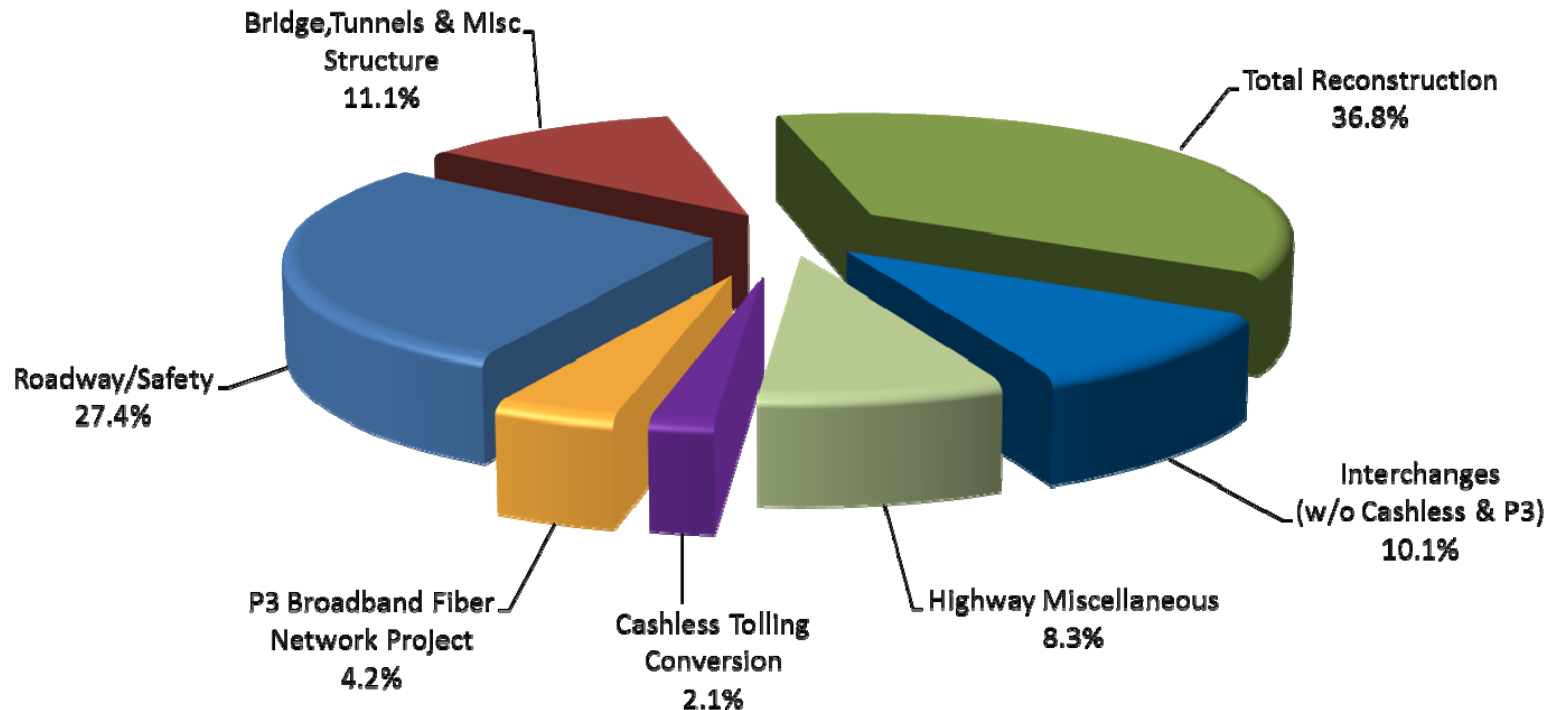
# CAPITAL INVESTMENT

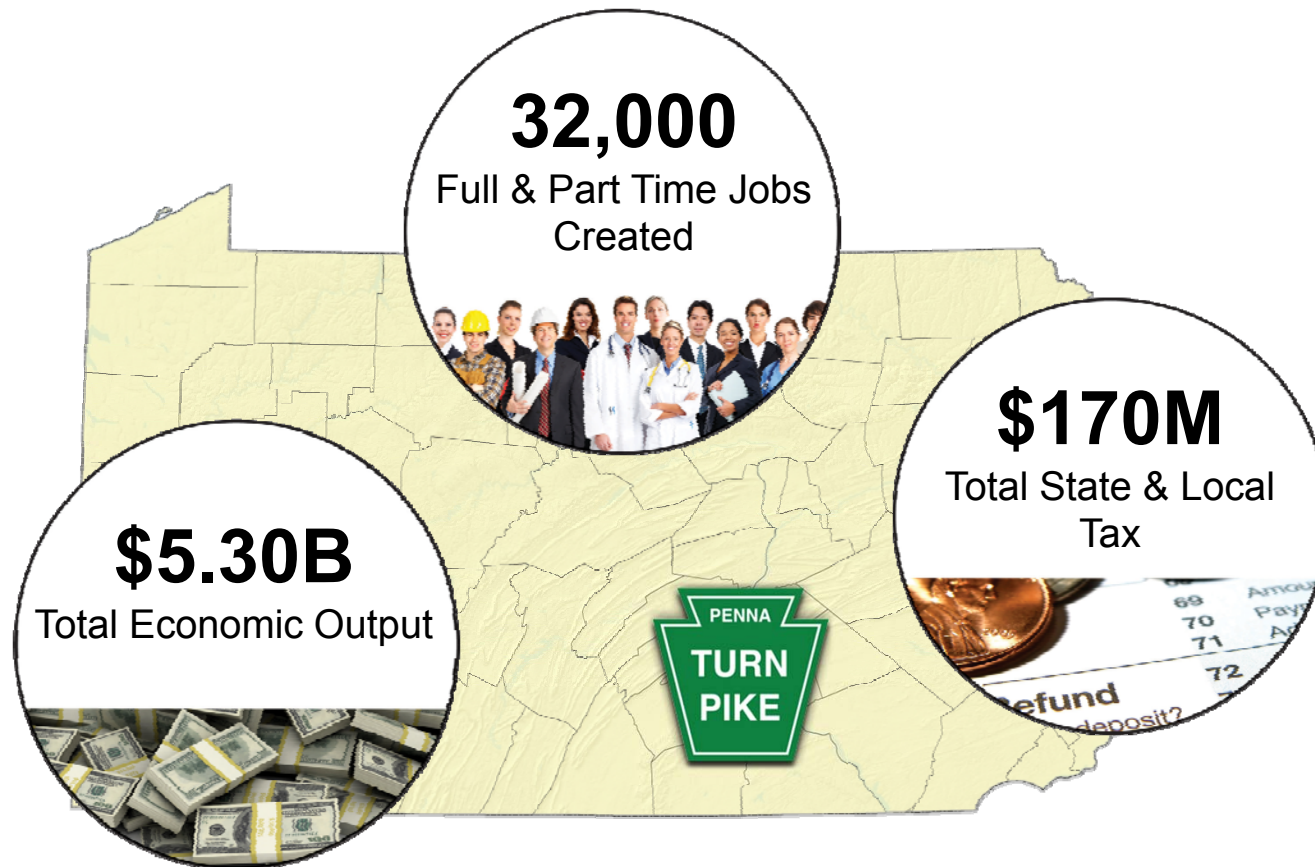
FY 2019 Capital Plan First Year Spending = \$552,648,859  
By Program



# CAPITAL INVESTMENT

**FY 2019 Highway Program First Year Spending = \$462,883,922  
By Category**





## PTC CAPITAL PLAN

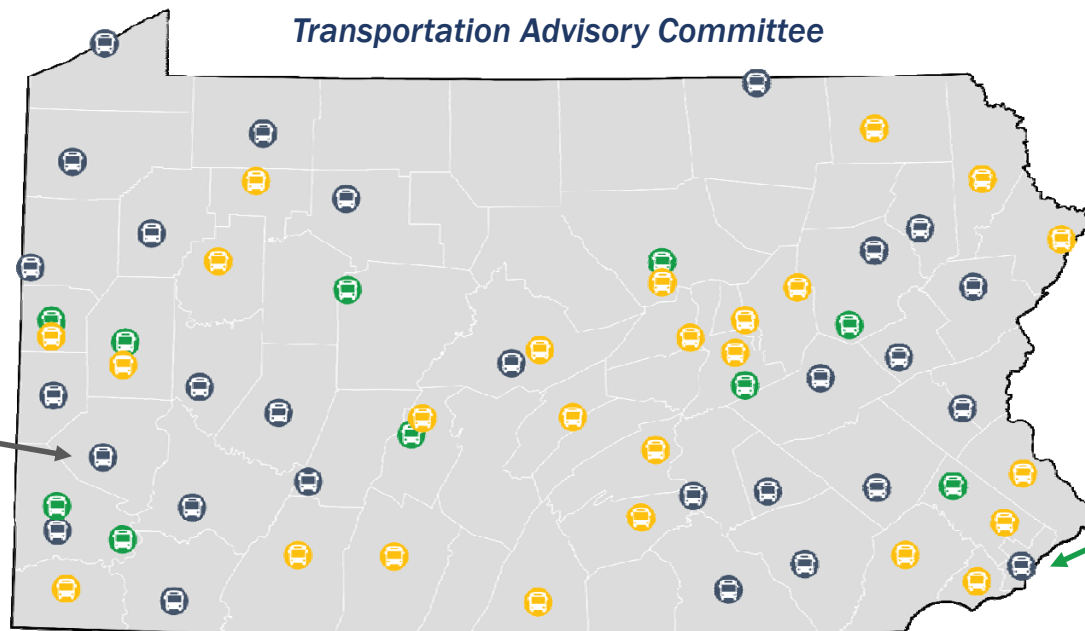
FY2016 to FY2020



# TRANSPORTATION INVESTMENT STUDIES



*Transportation Advisory Committee*



**SOUTHWEST**  
PARTNERSHIP  
*mobility*

**SOUTHEAST**  
PARTNERSHIP  
*mobility*

- Fixed Route and Shared-Ride Provider
- Fixed Route Only
- Shared-Ride Only

# SE AND SW MOBILITY STUDY OBJECTIVES



## STUDY OBJECTIVES

### ENHANCE SERVICE

Improving Performance and Customer Experience



### MAINTAIN THE SYSTEM

Act 44/89 Transit Funding Alternatives

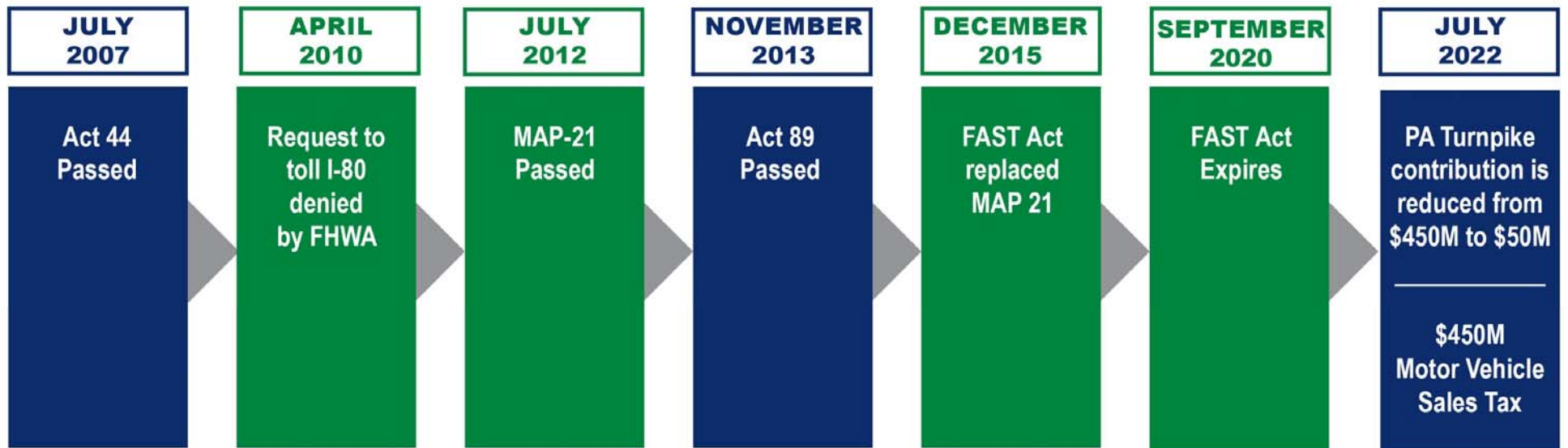


### INCLUSIVE ECONOMIC GROWTH



### SUSTAINABLE FINANCIAL POSITION

# FUNDING TIMELINE



# PUBLIC TRANSPORTATION CHALLENGE-ACT 44

## Until FY 21/22

- \$450M PTC Payment Annually
- Pending litigation has prevented PTC from issuing debt for FY 18/19 payments to-date
- PennDOT has funded 70% of the FY 18/19 program from reserve funds
- Significant reduction anticipated in FY 19/20

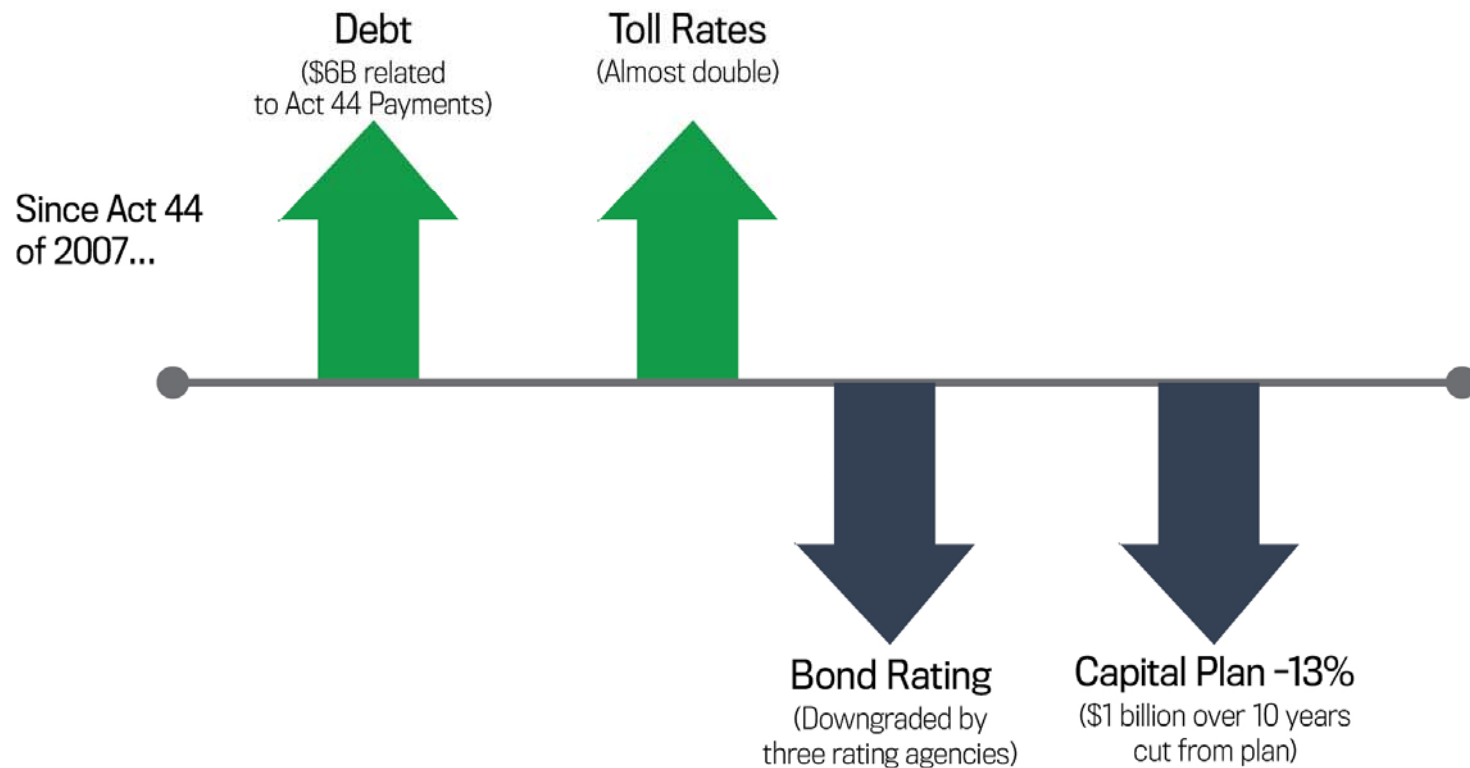
## FY 22/23 Onward

- \$50M PTC Payment Annually
- \$450M (minimum) Motor Vehicle (MV) Sales Tax (% of MV sales tax based on FY21/22 revenue with \$450M floor)

## Risks

- Short-term (through FY21/22) - PTC Payments contingent on pending litigation
- Long-term (FY22/23 Onward) – MV sales tax from General Fund could be subject to change in law

# ACT 44 IMPACTS TO PA TURNPIKE & TURNPIKE CUSTOMERS



# PA TURNPIKE ECONOMIC IMPACT

The PA Turnpike's \$60 million Route 29 Interchange in Chester County opened to traffic in 2012. In order to better estimate the impact of interchange investment to the region, the PTC commissioned a economic impact analysis of the interchange in 2018. The interchange's estimated economic impacts to Chester County are:



**9,700 -  
16,160**

total new jobs



**\$866 million -  
\$1.4 billion**

total labor income



**\$3.5 billion -  
\$5.8 billion**

total economic  
output



**\$28 million -  
\$58 million**

new state and local  
tax revenue within  
Chester County

Source: 4ward Planning

# MOBILITY STUDY TIMELINES

- Late March 2019
  - Southeast Final Council Meeting and Report Released
- Late May 2019
  - Southwest Final Council Meeting and Report Released

# TOTAL RECONSTRUCTION

## BEFORE

### Total Reconstruction & Widening



Original PA Turnpike section (four lanes)  
in Cumberland County near milepost 210.

## AFTER

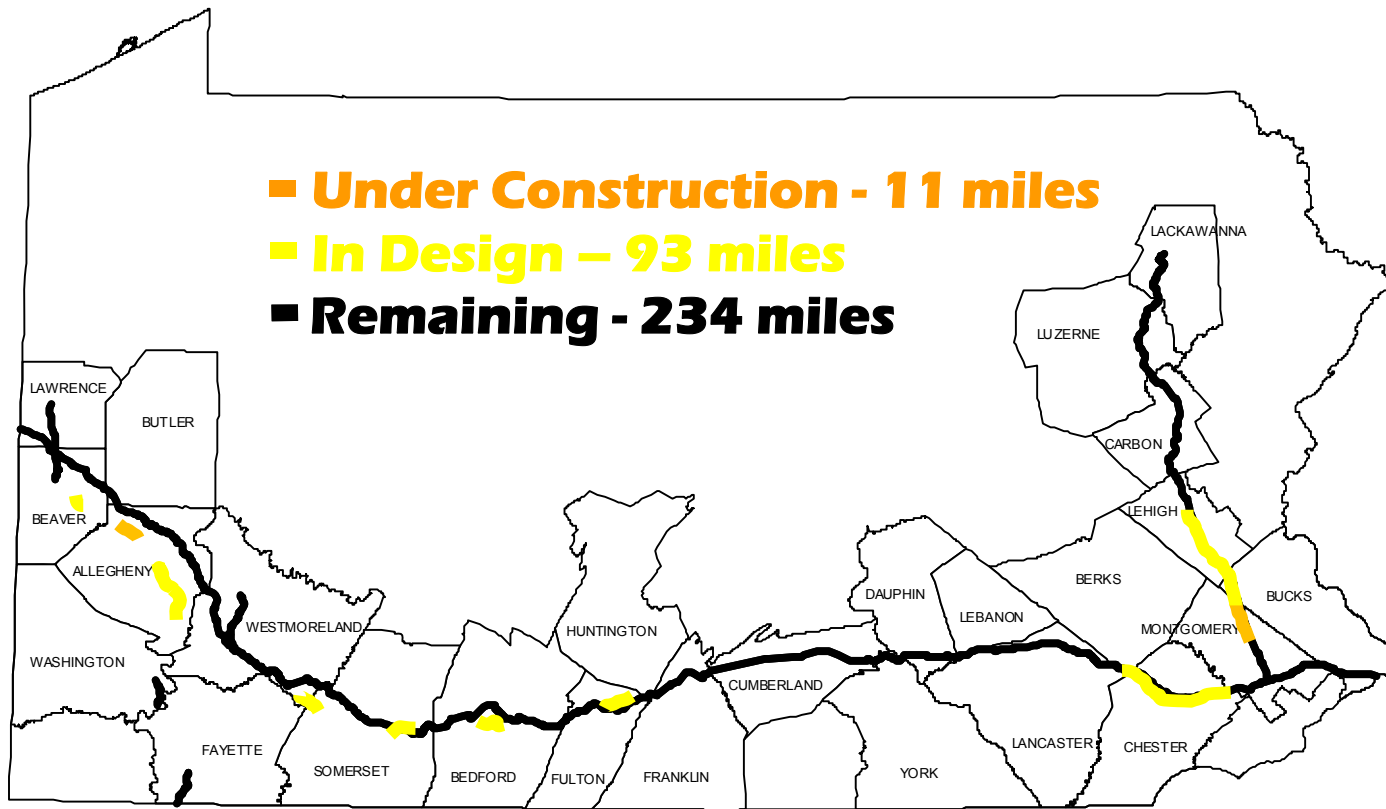
### Total Reconstruction & Widening



Rebuilt PA Turnpike section (six lanes)  
in Cumberland County near milepost 215.

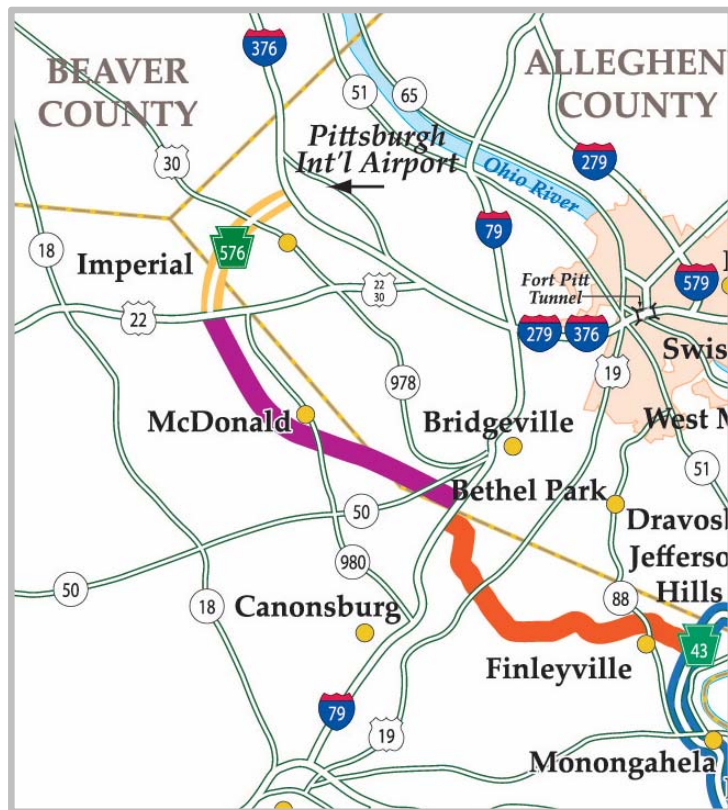


# RECONSTRUCTION & WIDENING

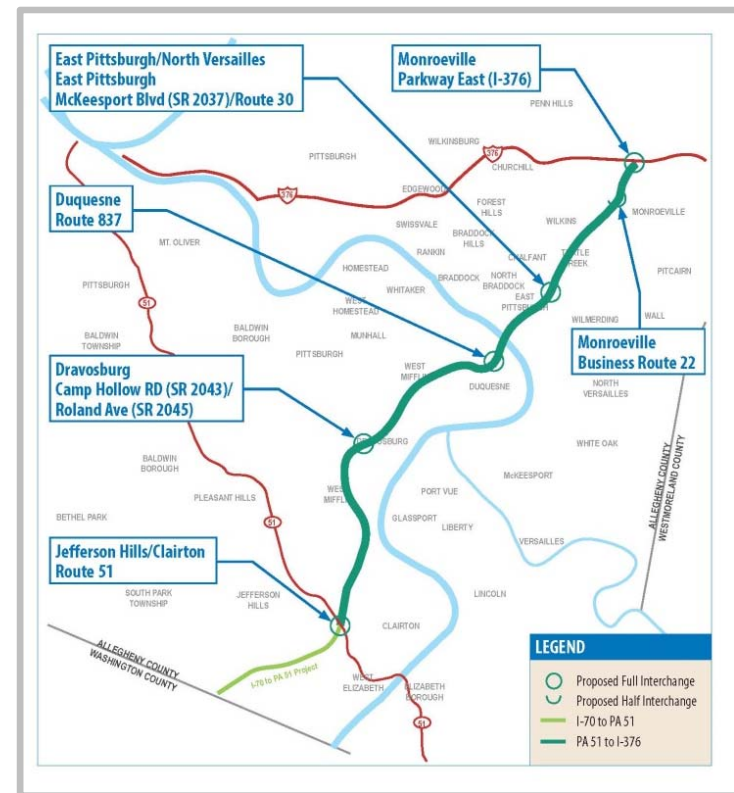


**Status as of January 2019**

# SOUTHERN BELTWAY & MON/FAYETTE



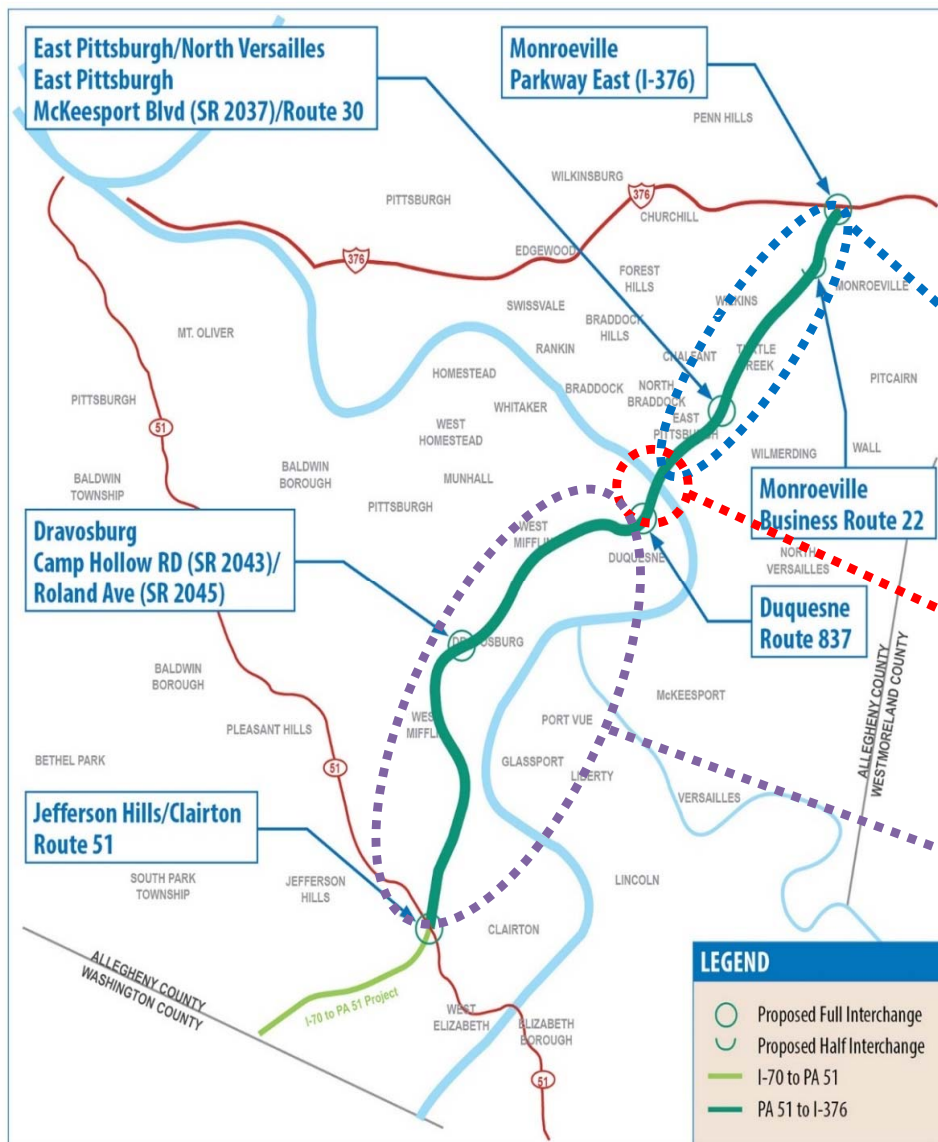
**SOUTHERN BELTWAY**  
Under Construction



**MON/FAYETTE EXPRESSWAY**  
Restarted Design

# SOUTHERN BELTWAY

<u>Section</u>	<u>Bid</u>	<u>Award Amount (Millions)</u>
55EA1	November 27, 2013	14.4
55W	December 2, 2015	1.0
55A1	November 9, 2016	90.8
55B	December 14, 2016	90.6
55C1-1	September 13, 2017	87.1
55C1-2	February 28, 2018	37.8
55T	July 3, 2018	4.0
55C2-2	July 25, 2018	23.6
55A2	September 26, 2018	116.2
55C2-1	December 19, 2018	174.3
55S	February 13, 2019	11.8
55M	March 13, 2019	<u>TBD</u>
		Total \$ 651.6 million



## 3 Main Construction Sections

### Mon River to I-376

- Construction 2029-2035

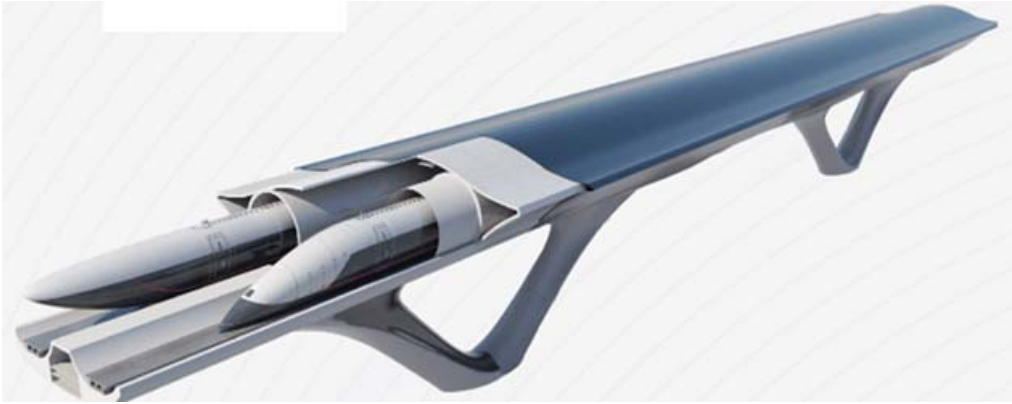
### Mon River Bridge

- Construction 2034-2036

### Rt.51 to Mon River

- Construction 2022-2027

# FIFTH MODE-HYPERLOOP



# FIFTH MODE TECHNOLOGY

- House Resolution 1057
- Passed October 17, 2018
- Legislative mandate authorizing a Hyperloop feasibility study
- Sponsored by State Representative Aaron Kaufer
- Focus on linking Pittsburgh, Harrisburg, Philadelphia & Wilkes-Barre /Scranton
- Tasking the Turnpike as the study lead in consultation with PennDOT
- Recommendations Report Due in 18 months

# FIFTH MODE TECHNOLOGY OVERVIEW

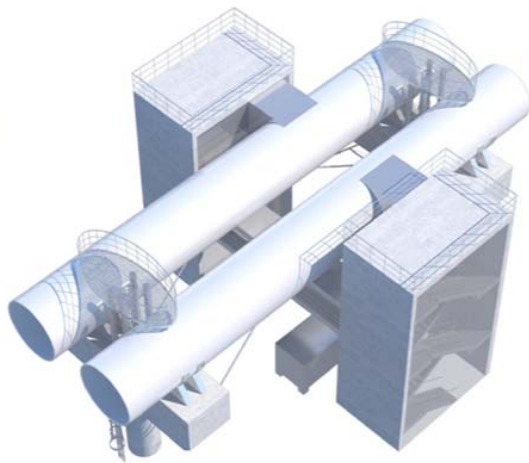
- Moving at airplane speed at ground level
- Moving people and cargo at 700 plus MPH
- Large geometry capsule and tube construct
- Controlled frictionless environment
- Low energy propulsion
- Magnetic levitation
- Software guided and controlled



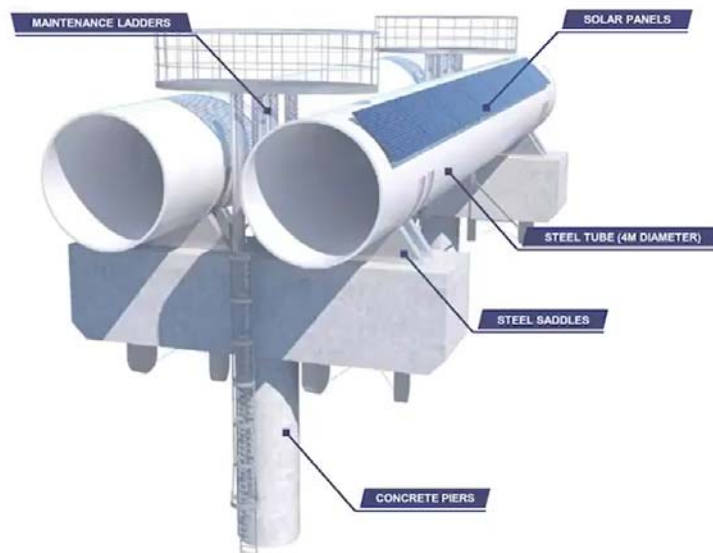
# FIFTH MODE-CAPSULE IN ELEVATED TUBE



Elevated Tubeway On Piers

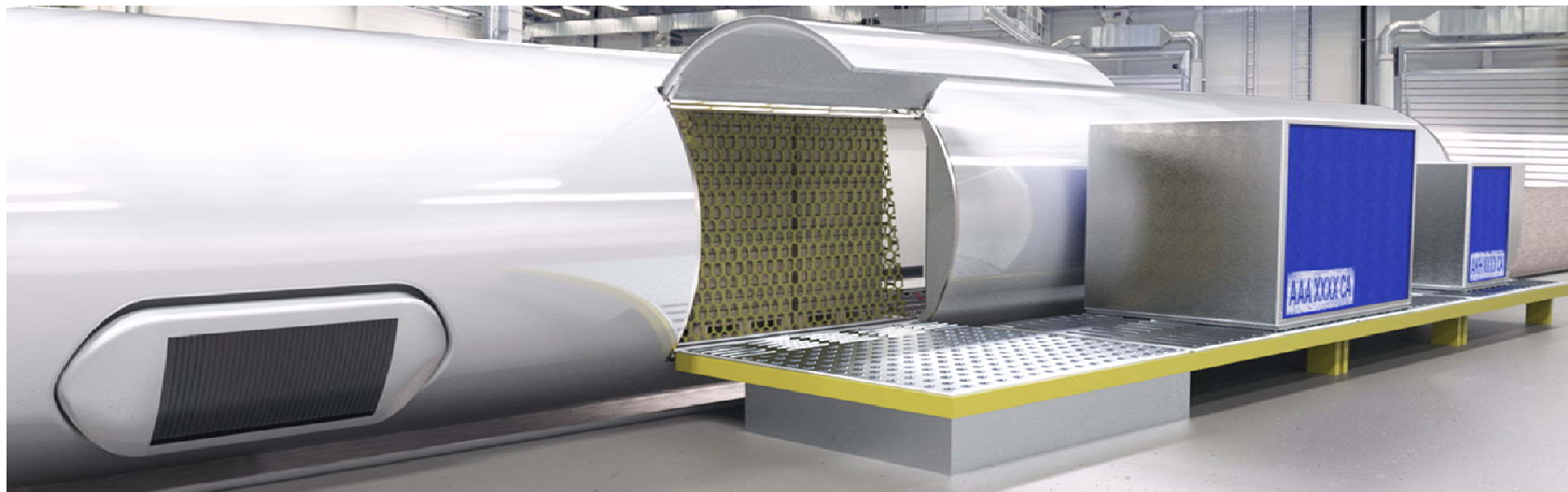


Emergency Stairway Exit





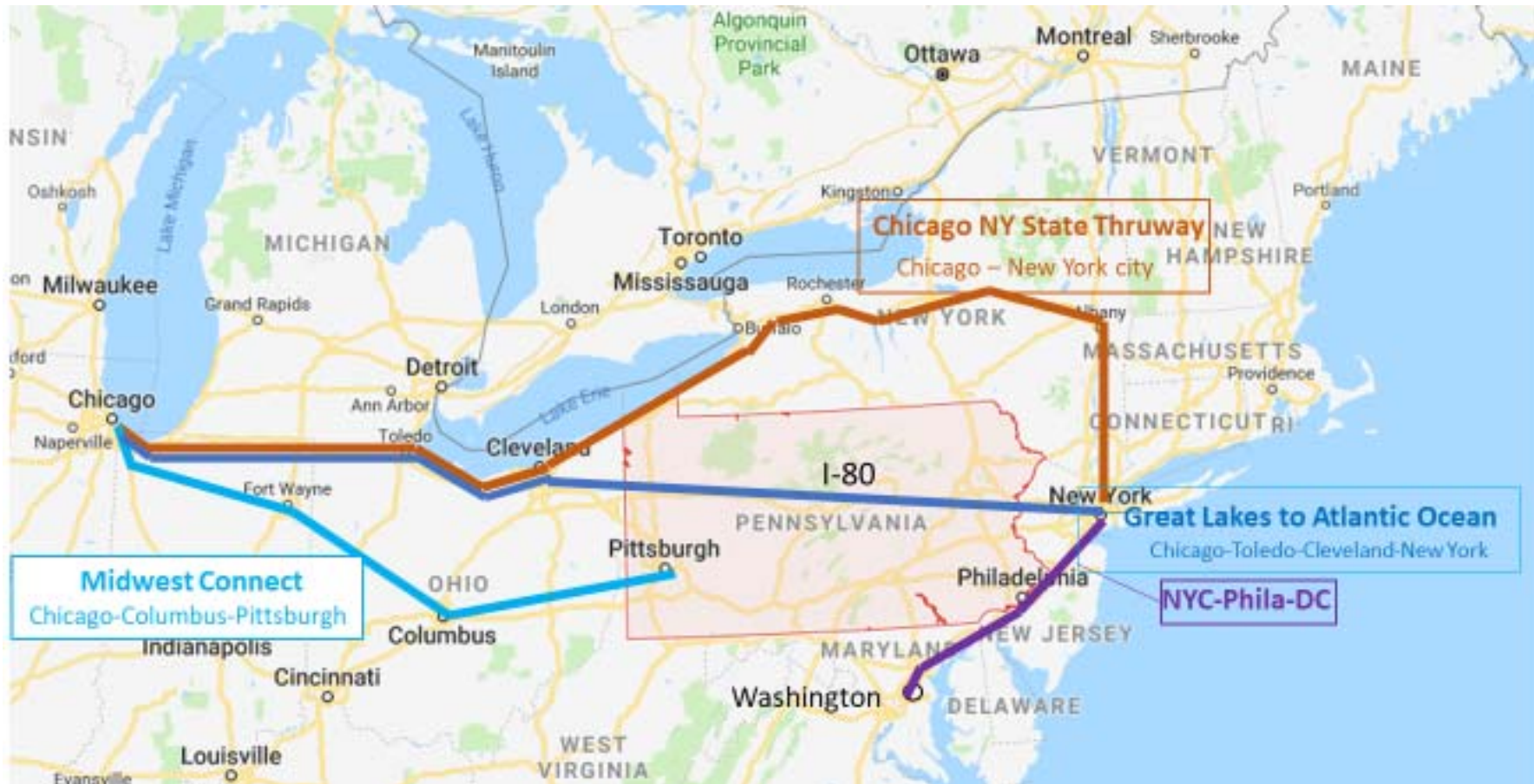
# FIFTH MODE-CARGO POD



# FIFTH MODE-PASSENGER POD



# FIFTH MODE-PROPOSED KEYSTONE HYPERLOOP ROUTES



# QUESTIONS

Charles L. Duncan, Esq.

Director of Legislative Affairs

PA Turnpike Commission

[cduncan@paturnpike.com](mailto:cduncan@paturnpike.com)

# Port Authority

**PENNSYLVANIA HOUSE OF REPRESENTATIVES  
DEMOCRATIC POLICY COMMITTEE  
TESTIMONY OF  
KATHARINE KELLEMAN, CEO  
PORT AUTHORITY OF ALLEGHENY COUNTY  
MARCH 14, 2019**



Representative Markosek and members of the House Democratic Policy Committee: Good afternoon, and thank you for the opportunity to provide testimony today on the topic of public transportation, an industry to which I have dedicated my entire professional career.

My name is Katharine Kelleman, and I have the pleasure to serve as the CEO of Port Authority of Allegheny County.

I submit these written comments and appear personally before the committee representing the 2,600 bus operators, mechanics and support staff that connect the people of Allegheny County to life.

Port Authority is the second-largest transit agency in the Commonwealth and the 26th largest in the nation. We provide more than 200,000 rides each weekday and a total of 62 million rides a year.

Our paratransit system, ACCESS, provides 5 million rides each year alone.

Our system includes 700 buses, 83 light rail vehicles, two inclines, 18 miles of dedicated busways, 52 miles of light rail track, more than 50 park and ride lots with 14,000 parking spaces, and we are responsible for maintaining more than 80 bridges and tunnels.

Port Authority serves as the backbone to our growing regional economy, providing access to jobs, schools, hospitals, places of worship, shopping, nightlife, and more.

The benefits of our services extend well beyond the City of Pittsburgh, Allegheny County or our 10-county region.

Statewide, we support more than 6,000 full-time equivalent jobs, generate nearly \$1 billion in economic activity, and while we as an agency are tax-exempt, we indirectly contribute more than \$18 million in taxes.

Our customers are as diverse as the people of Western Pennsylvania. They come from every race, nationality and socio-economic demographic.

Even those who don't enjoy the pleasure of our system reap its benefits, with public transit taking thousands of cars off the road and easing congestion on highways and in parking garages.

Over the last six years, we have benefitted immensely from Act 89, the comprehensive transportation funding bill that ensured public transportation would remain affordable, reliable and safe in Allegheny County and across the state.

Act 89 has allowed us to make critical infrastructure repairs and improvements to our system for future generations and has allowed us to focus our efforts and resources on improving how we deliver our services.

Evidence of Act 89 funding can be found in infrastructure improvements at the Monongahela Incline, the oldest continuously operated incline in the nation; in the city's Beechview neighborhood, where it was used to replace the light rail tracks that run through the growing community; in the Tassey Hollow Bridge between Swissvale and North Braddock; and at our recently improved transit center in McKeesport.

That funding has also gone into a program that will eventually see us replace all of our bus shelters and modernize our wayfinding signage.

But even more than allowing us to refurbish old buildings and bridges with new concrete and steel, Act 89 has established a sense of financial stability.

It has permitted us to alter our outlook from one of service cuts and employee layoffs to one of investment in our riders and the betterment of the communities we serve.

We are now envisioning a future in which Port Authority sets the standard for public transit across the country.

That vision prioritizes accessibility, equity and modernization without leaving anyone behind.

It includes looking at long-term ways in which we can improve access throughout our service footprint by finding fast, efficient and cost-effective service options in communities that were hit hardest by the loss of manufacturing jobs and in the neighborhoods we were forced to abandon years ago.

It includes our new Bus Rapid Transit project in the Downtown-Uptown-Oakland corridor, where we have crushed busloads and pass-ups despite having a bus per minute in each direction during rush hour.

It includes a mobile fare application so riders will never be far from a place to buy a weekly or monthly pass and a new website to provide our riders with up-to-date information packaged the way they expect to see it in 2019.

It also includes purchasing our first fully-electric vehicles, which will contribute to better air quality and improved overall health of our children, neighbors and friends.

It includes improving our on-time performance by exploring ways to make better use of our limited resources.

This vision would not only improve public transit for thousands of riders each day, but would greatly increase the quality of life for all residents of Pennsylvania.

But as we all know, even with Act 89 intact until it sunsets in 2023, there remains a long road ahead to achieve these goals.

The trucker's lawsuit filed last year has presented uncertainty in our funding and has delayed no less than 40 capital repair projects.

We are being asked to do more with less, year after year.

Meanwhile, we are bucking the national trend of declining transit ridership.

In June 2018, flooding in the South Hills forced us to close an entire light rail line for several months while crews cleaned up the damage and restored service.

Just two months later in August, a Norfolk Southern freight train derailed above our light rail tracks at Station Square, sending tons of kitty litter, mouthwash, office furniture and debris onto the station below.

Although these two events cost us nearly three-quarters of a million riders, our overall ridership in 2018 still increased by 2 percent.



Clearly, demand for public transit in the Pittsburgh region is strong.

With our vision in mind, livelihoods at stake, and demand for our services evidenced, making sure we have the resources required to fill those jobs and take care of our riders, all while doing it more efficiently and more effectively, is paramount.

We will continue to work to fulfill the faith placed in Port Authority by leaders like you, who have soundly supported public transit over the years.

So, I thank you for your time here today and for your continued support for public transit in the future.

Sincerely,

Katharine Kelleman  
CEO, Port Authority of Allegheny County

Statement of Mary Ann Bucci  
Executive Director, Port of Pittsburgh Commission  
before the  
House Democratic Policy Committee  
Mike Sturla, Chairman

March 14, 2019

Chairman Sturla and members of the Committee, I thank you for the opportunity to testify before you today. My testimony will focus on the importance of ports and the inland waterways transportation system, and their importance to the economy and competitiveness of Pennsylvania and our nation.

I am Executive Director of the Port of Pittsburgh Commission, which consists of a 15-member board. In order to create jobs and improve the quality of life in southwestern Pennsylvania, it is the mission of the Port of Pittsburgh Commission to promote the commercial use and development of the inland waterway-intermodal transportation system and to integrate that system into the economic, recreational, environmental and intermodal future of the residents and industries of southwestern Pennsylvania. I would also like to emphasize that the continual funding of the Port of Pittsburgh Commission is vital to maintaining a voice for the inland waterways. Our appropriations are under the Multi-modal fund.

Due to the bounty of our Nation's geography, we remain blessed with the world's preeminent inland waterways transportation and port system. There are 12,000 miles of navigable inland and intra-coastal waterways transporting more than 550 million tons of cargo valued at \$300 billion (2016).

The Port of Pittsburgh handled 26 million tons of cargo in 2017. This included 18 million tons of coal and over 1 million tons of petroleum products. Another 5 million tons was comprised of sand and gravel and other basic building materials. Because cargo must pass through several locks as it moves through the port, our locks are quite busy, locking through an annual average of 100 million tons of cargo or about 130,000 barges.

To keep the "building block" commodities --agricultural and energy products, building materials, and over-sized cargoes such as NASA rocket boosters or the pre-fabricated components of a \$6 billion ethylene cracker plant being built in western Pennsylvania -- moving on the waterways, there are 219 locks and 176 sites on the inland system. These locks and dams allow users of all types -- commercial and recreational -- to navigate their transit across the system while being assured that the depths those users require are available.

Beyond enabling commercial and recreational transportation, the inland waterways provide flood control, enable stable water supply for communities and industries, facilitate hydroelectric power, offer recreation such as fishing and water sports, enhance regional economic development, and secure our national defense. The ports and inland waterways also provide one of the best returns on investment, generating \$10 in annual net economic benefits to the Nation for every \$1 expended by Corps of Engineers' Civil Works Mission projects. (*source: U.S. Army Corps*

of Engineers) According to the International Trade Administration, Pennsylvania has 176,000 jobs that are supported by exports, ranking 11<sup>th</sup> among all states.

America's inland waterways system is number one in the world, but is not without its challenges, as international competitors continue to improve their systems and facilities. More than half of the locks and dams on the U.S. inland waterways are past their 50-year design life, with most locks and dams built in the 1930s under The New Deal of President Roosevelt. In fact, Pittsburgh has some of the oldest locks and dams in the Nation. Some system segments, particularly older portions located on the Upper Mississippi, Illinois and Tennessee Rivers, rely on antiquated 600-foot-long locks that are unable to accommodate today's standard 15-barge tows, impacting shippers' efficiency and competitiveness to reach the world stage.

Our locks and dams, and our ports, require attention and financial recapitalization for operations and maintenance, dredging, and channel and harbor improvements to maintain reliability and sustain our Nation's economic well-being and standard of living.

#### *American, Pennsylvania Competitiveness*

Currently, there are 25 high priority inland projects either underway or awaiting construction on the inland waterways system. A top priority project is the Lower Monongahela Locks 2, 3 and 4, located in my backyard of Pittsburgh. This project will replace three nearly 100-year old locks and dams. The problem is that the process to construct lock and dam projects in three to six years -- as they were built in the 1930s-1940s -- today takes decades. The Lower Mon project is going on its 25<sup>th</sup> year of construction, a project that should have been completed in 10 years. Not only are we in the 25<sup>th</sup> year of a 10-year project, the project will come in under-delivered with only one reliable lock chamber being completed. The initial project cost was \$750,000,000, with an estimated completion date of 2004, and the current cost is now \$1,230,000,000, with an estimated completion date of 2023. The estimated cost to complete the entire project, which includes a second lock chamber and a railroad bridge modification, would come in at a cost of \$2,760,000,000 and a completion date in the year 2061. For Pittsburgh and America to stay competitive in foreign markets, we must get back to constructing navigation projects in less than five years. The Upper Ohio Navigation Study has been going on for 18 years at a cost of over \$19.5 million thus far. It is now on its third iteration of the study. Each year the project is delayed costs the region \$1.29 billion in economic loss. A major failure on the Upper Ohio River would shut down the entire Port of Pittsburgh.

The Allegheny River faces its own unique set of problems. While vital to the mobility recreational boating community, it faces the threat of numerous permanent lock closures due to the findings of a disposition study pointing to its low usage for commercial traffic, which is the only criteria that the Corps of Engineers considers in assessing justification for maintaining operation of its locks. It is critical that solutions be found for keeping these locks in operation. Such solutions might have to be technological in nature, rather than simply funding. One possibility would be automated lock systems.

The Inland Waterways Trust Fund earned \$114.4 million in Fiscal Year (FY) 2017. This included \$113.73 million paid by the inland marine towing industry and interest of \$0.675

million. The Trust Fund disbursed \$108.4 million for construction projects leaving an available balance of \$63.4 million for new construction obligations.

New industries are coming to Pittsburgh, such as the Shell Chemical Appalachia Cracker plant. This plant will support 600 permanent jobs and will utilize 6,000 construction workers. It will consume 105,000 barrels of ethane per day, and produce 1.6 million tons of polyethylene pellets per year.

The waterways truly deliver for southwestern Pennsylvania, for the Ohio Valley region, and the Nation. But the current rate of investment means that many of the priority projects will not begin construction within the next 20 years, as our foreign competitors outspend us to modernize their infrastructure to get ahead.

As this Subcommittee continues to consider trade and commerce in the United States, I urge you to appreciate the conduit of the inland waterways and port system to American competitiveness and growth. Modernizing our ports and rivers is an investment in our Nation's continued economic prosperity because grain, petroleum, steel, chemicals, building materials and over a half-million jobs are riding on our waterways transportation system and through our ports. Equally as important is the continual support and funding of the Port of Pittsburgh Commission so that it continue its mission of being a voice for the inland waterways in southwestern Pennsylvania.

This concludes my testimony, Mr. Chairman. Thank you for providing this opportunity to be here today to address this critically important subject.

*Figure 1 - U.S. National Defense is still a critical role of the inland waterways. Shown here, military equipment transits through Kentucky Lock, 2018*



*Figure 2 - The M/V Big Eddie of Crosby Marine is seen at Monaca, PA (Mile 27.9 of the Ohio River) on May 30 with a deck barge carrying a large refiner vessel for the Shell Oil Corporation ethylene cracker plant under construction. Shown here are pumps used to level the barge for unloading, and the heavy-duty flatbed carrier to transport the equipment to the construction site. (Photo by Eric M. Johnson, Waterways Journal)*



*Figure 3 - Braddock Dam being floated up the Monongahela River on July 26, 2001*





*Figure 4 - Elizabeth Lock dewatered revealing its deteriorated condition*



*Figure 5 - The Port of Pittsburgh is able to support growth industries such building of new barges*



**COUNTY OF**



**ALLEGHENY**

**RICH FITZGERALD**  
COUNTY EXECUTIVE

**Testimony to the House Democratic Policy Committee  
by County Executive Rich Fitzgerald, March 14, 2019**

Chairman Sturla and members of the Policy Committee, welcome back to Allegheny County. It's a pleasure to see you here again and thank you for the opportunity to testify today regarding what our current transportation and infrastructure needs are, and what more the legislature can do in this area.

Transportation is an issue that is important to this region and has been one of my priorities since I was first elected in 2012. It has not been without its challenges. In my first few weeks in office, we received the news that the Port Authority of Allegheny County was facing a 30% reduction in service because the agency did not have a dedicated source of funding and was grappling with a number of issues driving their costs. After several months of work, numerous concessions from labor and management, and the help of the legislature and governor, we were able to prevent those cuts.

That experience taught us several things, and really emphasized to everyone in this region the importance of our region's infrastructure. Perhaps just as importantly, it emphasized the relationship between a viable, stable and growing regional transportation and a vibrant economy.

Our region is growing and has a vitality and energy that we haven't seen in some time. In order to continue building on that success, we have to ensure that we connect our workforce with the skills that they need to meet the demand for the businesses and organizations seeking employees. The impetus to do that is on all of us here in the county.

But we also need to ensure that we can connect our workforce to the jobs that are available physically, by investing in and improving our infrastructure. That includes our physical infrastructure as well as our transportation infrastructure.

Locally, we have the challenge of maintaining more than 408 miles of roads and park drives, and 533 bridges and culverts. We do so through a capital improvement plan and also took advantage of the opportunity provided to us by the legislature to impose a countywide \$5 registration fee on vehicles in the county. That flexibility has allowed us significant opportunity to catch up on deferred maintenance in our county, and to be proactive when it comes to other needs. That does not take away from the fact, however, that we also rely heavily upon the financial support of state and federal government. I know that many of my colleagues in the surrounding areas are facing the same challenges.

You have already heard today from PennDOT, the Turnpike Commission, the Port Authority and the Port of Pittsburgh. Each of these organizations have unique and distinct needs, but also understand that they

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must work cooperatively to provide a transportation network that we can rely on to sustain the economic success we are seeing. We know that transportation is a key factor in businesses' decisions where to locate. According to a 2014 Urban Land Institute study, travel times, congestion, parking/travel costs, and increasing transit access are major determinants of location decisions for new businesses and residents.

This isn't about a wish list, but about clearly identifying what our priorities are for our region – not only for the immediate future, but also what we believe is necessary to ensure the ongoing economic competitiveness of the region and state. We have been and will continue to have those conversations. As we collectively identify what that vision is, we also are looking at what other regions that we compete with have done to connect their own communities and considering any and all scenarios to allow us to fulfill that vision. There is going to be a price tag associated with that and, quite frankly, that's where the legislature is going to come into play. We need you to be our partner in this journey.

Our region is well-known for its partnerships and collaborations. We have always found our greatest success in working together, and this issue is no different. Allegheny County is experiencing significant economic advancement, which is expected to continue well into the future. If we don't invest in our transportation infrastructure, that growth will end. It is absolutely vital that we address this issue now to ensure that we continue to build on our successes in the future.

Our experience has taught us the importance of being proactive when changes in funding are expected and we know that complex issues like this one will take more time, but we also know that together we can ensure that we have the tools necessary to be economically competitive for years to come.

**Pennsylvania House Democratic Policy Committee**  
**Thursday, March 14, 2019**

**Written Testimony**

**Written Testimony Submitted by:**

Richard J. Barcaskey

Executive Director

Constructors Association of Western Pennsylvania

800 Cranberry Woods Drive, Suite 110

Cranberry Township, PA 16066



**Pennsylvania House Democratic Policy Committee**  
**Written Testimony**  
**Thursday, March 14, 2019**

Chairman Sturla, and members of the House Democratic Policy Committee, I would like to first thank you for the opportunity to testify today. My name is Richard Barcaskey and I am the Executive Director of the Constructors Association of Western Pennsylvania (CAWP). CAWP is a trade association representing over 200 heavy and highway construction and construction-related companies operating in the thirty-three counties of western Pennsylvania. CAWP contractors are engaged in the construction of the region's highways, bridges, tunnels, airport runways, dams, waste treatment facilities, site preparation and utilities installation.

The Association, along with our partners in the highway construction unions, were instrumental in securing passage of Act 89 of 2013, which raised an additional \$2.3 billion annually for transportation in Pennsylvania. This has allowed the Commonwealth to invest in improving the transportation infrastructure system in Pennsylvania and provided the opportunity to the Association's contractors and the union employees they employ, to rebuild our roads and bridges. When advocating for additional transportation funding, the Association stressed the positive impacts the Commonwealth would see from the increased investment in our transportation infrastructure. In addition to highlighting the economic benefits to our region, we stressed the positive impact the additional funding would have on those working in our industry. Today, whether it is the heavy equipment operator that moves dirt, the construction laborer that lays pipe or the highway carpenter who builds our bridges, the industry is hard at work at improving our roads and bridges. Several of the unions the Association partners with are experiencing record employment numbers.

While all of this is positive, there are several funding-related issues that members of the General Assembly are currently facing or will face in the not-too-distant future. The purpose of this testimony is to provide information to help policymakers understand the challenges, and the choices that must be considered if Pennsylvania is to sustain the momentum in returning its transportation system to a level required to support economic growth and enhance the quality of life for all Pennsylvanians.

**Act 89 did not solve the entire funding problem.** While Act 89 raised an additional \$2.3 billion annually for transportation, the bipartisan Transportation Funding Advisory Commission noted five years ago that Pennsylvania's funding gap was \$3.5 billion annually. So, while the Commonwealth is making strides in repairing and restoring its transportation infrastructure, that progress will begin to fade, probably within the next five years.

**Act 89 revenue is being diverted.** The Pennsylvania Constitution requires that revenue from fuel taxes and license and registration fees be used for transportation. While that legitimately may include patrolling highways, the Commonwealth had been diverting \$800 million per year from the Motor License Fund to support three-quarters of the State Police budget. A Legislative Budget and Finance Committee analysis concluded that was nearly \$300 million per year more than justified. The Commonwealth is now gradually reducing the diverted amount in order to comply with the state constitution. If Pennsylvania accelerated this rollback of diverted money and used it for what it was intended, we could start meeting our transportation infrastructure needs without increasing gasoline taxes.

**Communities are opting for “free” State Police coverage.** A related concern to the State Police funding issue is that a growing number of communities who have had local or regional police coverage are opting out of such arrangements, in favor of State Police coverage. While communities that opt out of local or regional coverage save money, residents who have local or regional coverage end up paying twice, because they subsidize the State Police coverage as well as pay for their own coverage.

One solution would be to address the inequity by removing the incentive for communities to opt out of local police coverage. Several proposals have been introduced, but none has been enacted. In his proposed 2019-2020 state budget, Governor Wolf has again called for charging a fee to residents of communities that do not have their own police coverage to help pay for the State Police. We would like to commend Representative Sturla for his continued leadership on this issue.

**A public transportation cliff is on the horizon.** In 2007, the General Assembly expanded the Pennsylvania Turnpike Commission's mandate by requiring it to provide annual funding contributions of \$450 million for broader transportation needs. Subsequently, this mandate was revised as part of Act 89 to require the commission to contribute all of the \$450 million to

support public transportation and multimodal (nonhighway) projects. However, in 2023, the contribution will decrease to \$50 million annually, resulting in a \$400 million hole in public transportation budgets that is to be covered by shifting sales tax revenue from the General Fund. Furthermore, a pending lawsuit could accelerate the loss of that revenue.

**Attempted raids on other transportation funds.** The Multimodal Transportation and Public Transportation Trust funds have come under siege from some lawmakers who assert – wrongly – that those funds are carrying surpluses that should be redirected for other purposes. Both funds play an important role in addressing the needs of Pennsylvania’s integrated, multimodal transportation system. Diverting the revenue would eliminate a variety of projects and services that benefit residents statewide.

**Alternative fuel vehicles.** As alternative fuel vehicles gain in market share, policymakers must begin thinking about how to fairly assess the cost for building and maintaining transportation infrastructure. All vehicles contribute to infrastructure wear and tear and should also contribute to its upkeep: A mileage-based approach, as opposed to a consumption tax on petroleum-based fuels, is showing promise.

In order to maintain the economic benefits and additional jobs created by Act 89, it is imperative that policymakers find a way to address these issues. Failing to do so will erode much of the hard work my members and their employees have achieved over the past several years.

Again, thank you for the opportunity to testify, and I would be happy to answer any questions.

House Democratic Policy Meeting  
3/14/2019

Good afternoon and thank you for the opportunity to speak today. My name is Chris Petrone and I am the Legislative Director for the International Union of Operating Engineers Local 66. My organization represents almost 8,000 hard working men and women that operate and repair heavy equipment in the construction industry. Our members find great work opportunities within road and bridge construction and repair. So, when I was asked to speak about transportation funding I was excited to discuss what Act 89 had done for our members and how beneficial infrastructure investment is.

Creating jobs is always on top of mind in every political survey given. Jobs and the economy matter. Infrastructure investment is a direct opportunity for Government to create jobs, which boosts the economy, all while providing a basic service almost everyone agrees government must provide. Act 89 has already proven this assertion to be true. I'm sure many consulting firms and engineering firms will agree with me because they are getting work from Act 89. However, the Act also created and is creating huge amounts of work opportunity the members of Local 66 and for all the skilled trades involved in infrastructure work. And remember, these are good jobs that come with fair wages. These aren't minimum wage jobs at the local convenience store. Our members make a good wage, they have health care, and they have two retirement investment vehicles including a defined benefit pension plan. These are the jobs created by Act 89.

Beyond the great impact of creating jobs for Pennsylvanians, this also has a positive economic impact for Government at all levels. Our members invest their wages in their local community through buying goods and services, eating at local restaurants, and hiring local service suppliers. This enables a vibrant local economy. A vibrant economy generates more tax revenue for government as they collect the wage taxes on the prevailing wages, they get the sales tax on that car or home purchase, and they get the business tax from the local grocer selling his or her food to its neighbors. It becomes a circular financial feeding system that is hard to deny.

Acknowledging all of these benefits that are a direct result from investment in infrastructure, I see a lot of incentive to do more. Pittsburgh has a light rail system that could easily go to Cranberry, Oakland, here in Monroeville, and to the airport. Imagine the reduction in automobiles on the road should our light rail system connect more people. We could also use a major beltway wrapping around the city. Currently, you have to go through the City of Pittsburgh to get around it. That makes no sense. Act 89 has been a great start to repairing our aging infrastructure; but, there is still a lot of opportunity to build more roads, bridges, and public transportation systems. This is a sound investment with huge return.

I thank the committee for your time and for hosting this hearing on such an important and beneficial issue.

Chris Petrone  
Legislative Director IUOE Local 66

Good afternoon. My name is Daniel Laird, I'm a Project Manager with A&A Consultants. I'd like to start by thanking all of you for coming out today. Representative Markosek thank you for taking the time to organize this discussion and to listen to these transportation needs. I'm sure many more conversations like the one today on transportation concerns and funding will be taking place over the next few months.

At A&A Consultants I'm also the Legislative Outreach Coordinator. This isn't a position that most civil engineering companies have. At A&A we don't see the issue of transportation funding being the lone responsibility of the larger engineering firms in the area. We fully embrace the idea that our engineering community can work with legislators to provide the public safer roads and bridges. That our network of highway corridors can serve as economic development generators. At A&A we specialize in geotechnical engineering, structural design, and construction inspection our clients consist of PennDOT, the Pennsylvania Turnpike, Allegheny County and City of Pittsburgh. We have our main office in Kennedy Township, and recently opened an office in New Stanton. Our owner and working professionals are all residents of South Western PA. We take pride in the work we do, and I have to admit that when driving across the 7<sup>th</sup> Street Bridge from the North Shore into the city its pretty amazing that I had apart in that project.

Within our engineering community of South Western PA, I've had to fortune to work alongside many number of great highway and bridge designers. Our engineering community has several local and national member associations. Personally, I'm most involved with the American Society of Highway Engineers Pittsburgh Chapter where I'm currently serving as a 1-year director. Also, I serve as the Chairman of the Construction Legislative Council, which is a multi-discipline coalition of 14 construction industry organizations, representing the interest of hundreds of thousands of contractors, architects, engineers, owners, and material suppliers for Western PA. Our organization consists of:

- American Institute of Architects
- American Society of Civil Engineers
- American Society of Highway Engineers
- Construction Financial Management Association – Greater Pittsburgh Chapter
- Constructors Association of Western PA
- Construction Management Association of America – Three Rivers Chapter
- Green Building Alliance
- Ironworker Employers Association of Western PA
- Junior Achievement
- Master Builders Association of Western PA
- National Association of Industrial and Office Properties
- NUCA Pennsylvania
- Pennsylvania Society of Professional Engineers – Pittsburgh Chapter
- Pennsylvania Builders Exchange

With the Construction Legislative Council our primary purpose is to advance an informed dialogue with elected leaders and policy makers who will advance the economic and political interests of our industry. Established in 1970, the Construction Legislative Council's Mission has always been to present a unified voice in government regarding legislative matters of concern to the entire construction industry.

As with many professions some common misperceptions do exist. One of these common misperceptions that I hear more often is that of the gas tax. Friends or family members will go on vacation to Maryland or Delaware and often remark on how cheap the gas is. This is then usually followed with a comment of how nice and smooth the roads are. So, the question is... why gas is cheaper in other states and more expensive here in Pennsylvania. The answer is simple. In Pennsylvania, PennDOT obtains the largest portion of their funding from the gas tax. Pennsylvania residents do not pay an additional tax for transportation into the state budget. All the states surrounding Pennsylvania pay a gas tax, and they pay an additional transportation tax.

In Pennsylvania we saw the passage of Act 61 in 1985, Act 44 in 2007, and Act 89 in 2013. The engineering industry did well with the passage of Act 89 in 2013, when legislation invested \$2.3 billion into transportation. However, the Pennsylvania Turnpike has had to deliver more than \$6 billion to PennDOT in the last decade as required by Act 44. The annual \$450 million payments have had a significant impact on customers as well as on the agency's efforts to rebuild and expand its system. Potential turnpike expansion projects in Allegheny and Westmoreland Counties that county officials and state lawmakers continue to request, have had to be put on hold. These projects help regional economies grow and create jobs.

Additionally, The Owner Operator Independent Drivers Association Inc and the National Motorists Association filed a lawsuit against the Turnpike stating it is unconstitutional under federal interstate commerce laws for the Turnpike to give the Pennsylvania Department of Transportation \$450 million a year to help pay for public transit. To date the pending litigation has caused \$337.5 million of delayed payment to PennDOT. PennDOT has had to dip into one-time reserve funds to be able to fund 70% of their projects. By July of this year we will begin to see significant public transportation project and operating impacts across the commonwealth. And the ruling from the judge on this matter is uncertain.

So, what can be done?

First educating the public on what our gas tax provides them. Why when they travel to other states, they see cheap prices at the pump. Pennsylvania has 11.8 million registered vehicles, 40,000 miles of Roadway, 25,400 bridges, and 102 billion annual vehicle miles traveled. Having safe roads and bridges to drive on, is taken for granted.

Second the Turnpike needs to be certain that lawmakers are ready to remedy the financial burden of Act 44. That they can provide relief to its customers from excessive toll hikes and make future investments in new interchanges, that will help to boost economic growth in our area. PennDOT and transit agencies across the state are made whole and do not suffer a \$450 million loss in funding which would result in drastic service cuts. We need to provide the resident of Pennsylvania a safe ground transportation network, that is reliable and meets our demands to grow and develop multiple areas of our region.

Third I would encourage all of you and your peers in Harrisburg to rely on the transportation and construction industry and the organizations I previously mentioned as resources. We represent hundreds of thousands of jobs and votes in the commonwealth and are willing to offer our support to open dialogue on needs for transportation.

Thank you all for your time this afternoon. I appreciate the dialogue that has been started here today, and look forward to further conversations related to transportation funding in the future.