

Transportation funding update

August 2012

Following is a detailed update on Pennsylvania's transportation funding issue, one year following submission to Governor Tom Corbett of the recommendations of his Transportation Funding Advisory Commission. Following this review of where the political process stands, we have included graphics that illustrate the depth and the breadth of the funding dilemma.

Defining the issue

Pennsylvania's transportation funding needs have been well documented:*

- In October 2006, the Pennsylvania Economy League completed a benchmarking study of transportation funding and infrastructure conditions in Pennsylvania and five other states (OH, NJ, NY, MI, IL) to provide an objective review of state policy and funding practices. Among its findings was that a long-term comprehensive solution would require a combination of funding solutions.
- Also in 2006, Governor Rendell's Transportation Funding and Reform Commission released a study concluding that Pennsylvania's transportation funding gap totaled \$1.7 billion, a figure that no one disputed.
- In 2007, the National Surface Transportation Policy and Revenue Study Commission concluded that the U.S. should have been spending about \$225 billion annually on transportation infrastructure and was barely spending a third of that.
- In 2008, the Pennsylvania Highway Information Association (PHIA) outlined a vision for a 21st Century transportation system in a report called *The Road to Prosperity*.
- Also in 2008, the U.S. Chamber of Commerce issued a report detailing the importance of a sound transportation system to the U.S. economy, warning that emerging countries would challenge the U.S. as the No. 1 global economy unless we addressed the transportation funding issue.
- In 2009, the American Society of Civil Engineers issued its now-infamous report card giving the U.S. a grade of "D" for infrastructure.
- In 2010, the Pennsylvania State Transportation Advisory Committee calculated that the annual funding gap, which was \$1.7 billion in 2006, had grown to \$3.5 billion, and once again no one disputed the figure.
- In 2011, Governor Corbett's Transportation Funding Advisory Commission (TFAC) submitted recommendations for closing \$2.5 billion of the \$3.5 billion annual transportation funding gap. That report suggested that the cost of fixing the transportation system grows by about \$1 million every day, meaning that by Aug. 1 of 2012, it will cost about \$365 million more to address the problem than it did the day the report was submitted to the governor.

** All of the reports cited in this summary can be found at www.ReConnectPA.org under the "Library" tab.*

Where we stand currently

The TFAC report was submitted to Governor Corbett on Aug. 1, 2011. Despite the governor's assurance that he would shortly announce which of the recommendations he would endorse, he has done nothing to move the issue forward.

Meanwhile, Senate Republicans and House Democrats introduced legislation that mirrors the TFAC recommendations. The bills' sponsors and legislative leaders have said they believe legislators are ready and willing to address the issue, but that they will not do so without the governor's leadership.

Extensive public opinion research conducted on behalf of Associated Pennsylvania Constructors shows that an overwhelming majority of Pennsylvania voters are aware of the state's transportation problems and believe that they should be addressed. The research shows that the public is amenable to making a modest personal investment in improving the transportation system if it would improve safety and relieve congestion. The public also strongly supports the idea that transportation investment would create tens of thousands of jobs in Pennsylvania, 58 percent of which would be in industries other than highway construction.

The recommendations listed in the TFAC report would cost a typical motorist 70 cents per week initially, eventually increasing to \$2.50 per week.

A broad-based group known as the Keystone Transportation Funding Coalition has endorsed a comprehensive solution to Pennsylvania's transportation funding issue. Members include the construction industry, public transit agencies, biking and pedestrian advocates, labor unions, health care organizations, AAA, AARP, chambers of commerce, the trucking industry, farm organizations, environmental groups, travel and tourism organizations, freight and passenger rail organizations, air and seaport authorities and land-use advocates. More information about the KTFC can be found at www.ReconnectPA.org.

Yet, despite bipartisan legislative support, public support, and the diverse support of members of the KTFC, the transportation funding issue has stalled. It is not expected to be taken up until 2013 at the earliest.

Benefits of solving the problem

In 2008, APC conducted extensive message research. It showed that members of the public respond most favorably to messages regarding improved safety and congestion relief.

A 2009 study conducted by the Pacific Institute for Research and Evaluation concluded that roadway condition is a contributing factor in more than half of 42,000 American deaths resulting from motor vehicle crashes annually, along with 38 percent of non-fatal crashes. Roadway condition is the single most lethal contributing factor, the report said, greater than speeding, alcohol and the non-use of seat belts.

A series of studies conducted by the Texas Transportation Institute and TRIP, a national transportation research group, track the cost of congestion to motorists in various geographic areas. According to TTI, motorists nationally are wasting \$101 billion a year in fuel and time due to traffic congestion, up from \$21 billion when first studies in 1982.

Jobs are another benefit resulting from transportation investment. According to the Federal Highway Administration, every \$1 billion spent on highway construction supports nearly 30,000 jobs.

In 2010, ACP commissioned the American Road and Transportation Builders Association to conduct an economic study based on the doubling of transportation investment in Pennsylvania. The study concluded such investment would create more than 50,000 jobs, and that 58 percent of them would be in industries other than highway construction.

The U.S. Chamber of Commerce has been a strong proponent of adequate funding for all modes of transportation infrastructure, recognizing that a multimodal transportation system is an essential component of long-term economic growth. The Chamber's initiative is called Let's Rebuild America.

The cost of doing nothing

While the public discussion about transportation funding often focuses on the cost for addressing the problem, people sometimes forget that there is a considerable cost for not addressing the problem:

- By not addressing the problem this year, Pennsylvania's highway program will experience a funding reduction of between \$500 million and \$700 million next year. Using the Federal Highway Administration's own rule of thumb, such a reduction would result in the loss of about 21,000 jobs in Pennsylvania. The ARTBA economic study suggests that nearly six in 10 of those jobs will be in industries other than highway construction.
- According to the Transportation Advisory Committee's 2010 report, the cost of not fixing the problem grows by about \$1 million every day that the problem is not fixed. That means that by Aug. 1, 2012, the cost for addressing this issue will have increased by about \$365 million since the TFAC report was delivered to Governor Corbett. The increased cost essentially becomes a tax on future generations.
- Many motorists in urban areas are already paying more for the problem than they would for a solution. For example, let's say your daily commute is 15 miles, and under normal circumstances it would take you 20 minutes. At morning and evening rush hour, however, it takes you an additional 10 minutes. In doing so, you have driven the equivalent of an additional 7 ½ miles. If you do that twice a day, five days a week, you've driven the equivalent of an additional 75 miles per week. If your car gets 25 miles to the gallon, you've just wasted an additional three gallons of gasoline. Even with today's somewhat lower gas prices, you're wasting almost \$10 per week that you wouldn't need to spend if Pennsylvania

- committed the resources to relieve traffic congestion. This doesn't include the higher maintenance costs and increased wear and tear due to bad roads.
- On the other hand, the TFAC recommendations would cost a typical motorist 70 cents per week initially, eventually increasing to \$2.50 per week.

The industry's role

Associated Pennsylvania Constructors and the Transportation Construction Industries Political Action Committee, along with other organizations of which the industry is a member such as PHIA and the Keystone Coalition, have been involved in various activities aimed at supporting a comprehensive, long-term funding solution.

PHIA is committed to educating the public and policymakers regarding the importance of a well-funded transportation system and does so with special events, news items, informational emails, its website and blog. PHIA has a wealth of information at www.PaHighwayInfo.org.

The industry has provided funding for various advocacy efforts, including a statewide informational campaign last fall centered around a website called www.BetterSaferRoads.com. Visitors to this website were asked to sign an online petition supporting, essentially, the TFAC report, which automatically generated emails to the individual's state representative, state senator and Governor Corbett. To date, it has generated about 30,000 emails.

Over about the last 18 months, the KTFC has organized local legislative outreach efforts to educate state representatives and senators about the need to address the transportation funding issue. This initiative is organized by PennDOT district.

Once Governor Corbett decides to take the lead on this issue, the industry will marshal its resources to support the funding initiative. The industry will assist all elected officials who support a comprehensive, long-term solution.

What you can do

In a word, engage. Contact your state representative and senator, as well as the governor's office. If you have not yet done so, you can quickly and easily generate emails to each by visiting www.BetterSaferRoads.com. If you have already signed the online petition, you can send a follow-up note through the General Assembly website at <http://www.legis.state.pa.us/>. The site will quickly and easily provide your legislators' email addresses and phone numbers by entering your own mailing address.

If you are interested in assisting with the legislative outreach efforts in your area, please contact George Wolff at wolff240@aol.com or call him at 717-439-1796.

If you or someone you know works in the transportation construction industry and is not already a member of APC or TCI-PAC, please visit www.PaConstructors.org and/or www.tci-pac.org and consider joining the cause.

If you are aware of a transportation-related need in your community – anything from better signage or signals, to a turn lane, to major capacity expansion, please visit www.ReConnectPA.org and post your project on the interactive map. You'll be helping us catalog the transportation needs in every legislative district in Pennsylvania.

If you are aware of a congestion problem in your area, we'd like to know about it. Give us the mileage, the speed limit and the time it takes to get through it, and we'll calculate how much fuel and money a typical motorist wastes. If you have a smart phone and can shoot a short video of the congestion, we'll provide you with a place to upload it.

Finally, nearly every newspaper editorial page in the state supports what we want – a comprehensive, long-term solution to Pennsylvania's transportation funding needs. The next time your local paper publishes an article or editorializes on this issue, dash off a brief (200 words or less) letter to the editor and submit it for publication. Most newspapers provide a quick and easy way to submit letters through their websites. If your letter is published, let us know, and we'll see that it receives further distribution.

The future

Pennsylvania's transportation funding needs will be addressed, either by this governor or his successor. The more we are able to keep this issue on the public radar screen, the sooner it will be addressed. On behalf of the Keystone Transportation Funding Coalition, thanks for your interest and support.