

Senate Transportation Budget Hearing Statement

Chairman Rafferty, Chairman Sabatina, members of the Senate Transportation Committee, thank you for the opportunity to meet with you to review where we stand managing transportation for the Commonwealth of Pennsylvania.

We take very seriously our responsibility to deliver the best in transportation services to your constituents and our customers. With the resources you have provided us, we are making headway on the massive needs of maintaining and improving the network of roughly 40,000 miles of roads and roughly 25,000 bridges, 35 fixed route transit systems, 128 public use airports, 291 private use airports, 288 private-use heliports, three ports and the privately-owned network of more than 5,600 miles of freight railroad lines.

Addressing Pavement Needs

This was an especially tough winter, with repeated wild temperature swings, with an almost summer-like February and then lingering freezes into April along with lots of moisture. This is the precise recipe for accelerated pavement failure and we saw staggering numbers of potholes and rutted pavements.

Through the end of April, PennDOT crews used nearly 23,000 tons of asphalt repairing potholes and that compares to 15,418 tons the year before and 14,673 tons in 2016. With the outbreak as extreme as it was, Governor Wolf and I recently announced our Resurface Pennsylvania initiative. We are juggling our resources to put more emphasis on fixing these scarred pavements and re-prioritizing our resources.

We are using:

- \$22.3 million from existing maintenance budgets in our county operations in the state's 67 counties.
- \$7 million for interstate maintenance from funds we reserve for special maintenance initiatives.
- \$30 million from funds reserved for projects needed to enhance economic development.
- \$62 million in federal funds that can be used on the National Highway System dedicated to the Interstate Management Program. Funds were accumulated based on project savings.
- \$60 million in savings generated by bids coming in lower than expected on projects and advancing some Interstate Preservation Projects.

The point is we are reordering priorities to deal with the immediate pavement restoration needs triggered by the harsh winter we just experienced.

Honoring Local Partnerships

As a former Montgomery County commissioner and a former Whitemarsh Township supervisor, I deeply appreciate the role our local government partners play and that was a big reason I established our new PennDOT Connects initiative.

Our goal with PennDOT Connects is to build better communities and improve mobility through collaboration. And we build that collaboration by reaching out to local partners at the earliest possible moment. That means we talk to them about our plans before the project scope, schedule and budget have been defined and approved.

Over the past year, we have held 32 municipal outreach PennDOT Connects workshops involving roughly one thousand participants. We have established a PennDOT Connects web site and we have incorporated PennDOT Connects into our planning and project delivery process. It also is being incorporated into an updated design manual. And most of our districts now have a specific planner who will support continued implementation of PennDOT Connects.

We have already seen the benefits.

We see better relationships with our local partners. Many in the local government community have told us they appreciate the opportunity to speak face-to-face with us about project plans.

We expect these improved relationships will mean a less contentious process throughout project delivery. While there will always be bumps in the road because of unforeseen issues, the PennDOT Connects approach will help smooth the path through project delivery by identifying more issues during the planning process.

To ensure PennDOT Connects is being followed across the far-flung PennDOT system, we have established a reporting process to me and my executive team.

For example, we received very favorable reports back on an improvement project for U-S 62 in Franklin, Venango County. City officials told us certain intersections needed radius improvements and we are taking a close look at that. We also may be able to incorporate recommendations from the city's recently completed bicycle-pedestrian connection master plan.

In another example from Geistown Borough and Richland and Stonycreek townships in Cambria County, PennDOT Connects helped us incorporate improved sidewalks into our design plans for a road improvement and identify the need for bus shelters, pulls off and a five-foot wide shoulder for bicycle use. The borough lauded us for what they said was an amazing example of

local, state, public and private stakeholders coming together to change the face of the community for decades to come.

Again, closer collaboration means better service for our constituents. And that is my goal with PennDOT Connects.

We at PennDOT – with the help of all our partners in the transportation industry – are making good progress against the many challenges we face.

Besides better collaboration through PennDOT Connects, improving bridges and the low-volume road network, preparing for the safe arrival of autonomous vehicles, and advancing the cause of diversity are just a few of the areas we are addressing.

When it comes to measures, the one we take much pride in is the reduction in the number of bridges in poor condition or considered structurally deficient. From a high of 6,034 in 2008, we now are down to just over 3,000, and that progress comes in the face of the ongoing aging of our bridges that adds 200 to 250 bridges to the poor category every year.

One of the big reasons for this progress is the innovative public- private partnership we have with Plenary Walsh Keystone Partners, the consortium responsible for the Rapid Bridge Replacement program. We and PWKP have worked very hard through a variety of sometimes daunting issues to put us within reach of our goal of replacing 558 SD bridges by the end of this year.

That is simply a huge achievement. Bridges -- as we all know -- can be very complicated projects -- with environmental permits, right of way issues and utility clearance timetables always posing challenges. Yet working together -- we and PWKP are closing in on our goal. Under normal procedures, it could have taken 8 to 12 years to deliver that many bridge replacements.

Highly Automated Vehicles

From bridges, I turn next to a transportation future that seems to be rushing upon us – the development of highly automated vehicles.

In large measure due to the pioneering work of Carnegie Mellon University, Pittsburgh and Pennsylvania are in the forefront of the research and development of HAV technology.

We in Governor Wolf's administration have worked to keep us in a leading role. In June of 2016, we created an Autonomous Vehicle Task Force made up of a variety of stakeholders and it delivered to the General Assembly policy recommendations in November of 2016. Since then, we have hosted two Autonomous Vehicle Summits – the latest in April in Pittsburgh.

More than 400 attendees registered for the Pittsburgh summit and we focused on three themes -- AV safety; infrastructure planning; and workforce/economic development.

Pennsylvania is one of the handful of leadership states in automated vehicle development, and one area where the Keystone State is uniformly recognized for leadership is citizen and public engagement. The AV Summits were structured with the goal of fostering interchange between the industry, policy-makers, advocates of various stripes, local officials, service providers and opinion leaders.

We at PennDOT and our colleagues at the Department of Community and Economic Development are trying to build a foundation of participation regarding autonomous vehicles so our oversight will be informed by public input.

Every Summit attendee is now an ongoing member of this "community of participation." We do this as a long-term investment in public acceptance and support of vehicle automation.

The Summit also made news. On day 1, I announced a strong and balanced interim testing safety package, including an update to the 2016 policy recommendations from our Task Force. We have called on testing entities in Pennsylvania to pledge compliance to those policy recommendations for safe AV testing, as we continue to ask the General Assembly to enact legislation to give PennDOT legal authority to oversee testing safety. We just wrapping up one-on-one meetings with HAV testers to hear their input and allow us to explain our direction. Our HAV Task Force also met on June 15 as part of our effort to update our policy recommendations.

Day 2 of the Summit saw PennDOT join with the Pennsylvania Turnpike Commission and Penn State University to announce plans for a state-of-the-art advanced technology training and testing facility.

PennDOT and DCED will keep listening closely to the people of the Commonwealth and be steered by their guidance as we advance this profound transformation in transportation technology that is unfolding while keeping safety paramount.

Roads and Bridges

Returning to the state of our road and bridges, I reaffirm that the federal government is an important partner as we address infrastructure needs, and we do need Washington to step up and address the nation's pressing transportation needs. Action is needed to ensure the long-term solvency of the Federal Highway Trust Fund.

With Act 89, we made the tough decisions in this regard and the added resources are making a huge difference as we advance against the large backlog of needs. We simply need similar strong action out of Washington.

Working with Act 89 resources, PennDOT has completed 2,519 construction projects worth \$5.5 billion and has an additional 796 projects worth \$5.7 billion underway. This means that nearly 35 percent of the projects accelerated or made possible by Act 89 are done or underway. Last year, PennDOT improved the equivalent of 6,697 miles of two-lane road, resurfaced more than 2,100 roadway miles and fixed nearly 500 structurally deficient bridges.

While we at the state-level have dramatically improved the condition of our bridges over the last 10 years, locally-owned bridges continue to deteriorate and roughly 31 percent of the roughly 6,000 local bridges are considered in poor condition.

We are addressing those bridges by aggressively partnering with counties to implement their Act 89-authorized \$5 vehicle registration fee for their bridges and make additional federal funds available for counties who do so.

In addition to our Resurface PA program, we continue on our multi-year, \$300 million initiative to address pavement conditions on our low-volume rural roads as well as municipally-owned structurally deficient bridges. We estimate this will allow the improvement of more than 900 miles of roads and 85 to 100 bridges. This includes a \$200 million, five-year program to restore and repair rural commercial routes supplemented by an additional \$50 million from cost-sharing partnership agreements with industries that run heavy vehicles on these rural roads.

We also are undertaking a one-year, \$50 million program to improve an estimated 260 miles of lower volume traffic roads on the state-maintained system.

We also continue to work on Road MaP, our Maintenance and Preservation program, that calls for allocating more funding toward the interstate system and overall road and bridge improvements. This program allocates \$2.1 billion over ten years, with \$1 billion, starting in FY 18/19, to the counties and districts as well as another \$1.1 billion for interstate and major road reconstruction and rehabilitation. In addition, a RAP (recycled asphalt) Program was strengthened and focused on low volume rural roads where PennDOT has significant issues.

Safety at All Levels

Safety is at the heart of all we do. Contrary to the national trend, Pennsylvania has seen its statewide fatality numbers drop in recent years and we hope that trend will continue. We want everyone to get home safely to their loved ones so having as few fatalities as possible is our ultimate measure. In 2017, we hit another record low number of fatalities -- with 1,137 -- 51 fewer than in 2016. And this is based on fatality records going back to 1928. We invest approximately \$130 million annually in efforts to support the national Toward Zero Deaths initiative, which was established based on the belief that even one life lost is too many. These

efforts include underwriting law enforcement efforts, infrastructure improvements and public education.

Pennsylvania Receives Federal Certification for State Safety Oversight (SAFETY)

PennDOT has obtained certification from the Federal Transit Administration (FTA) for its rail transit State Safety Oversight (SSO) programs to meet a new federal requirement in advance of the April 2019 deadline. Under newly established federal law, states with rail transit systems must be certified to oversee their safety or face the loss of all federal transit grants.

Pennsylvania is one of 30 states with rail transit that must meet the April 2019 deadline set by changes outlined in the federal transportation law, MAP-21 (Moving Ahead for Progress in the 21st Century). The change required FTA to certify that each state's rail safety oversight met the MAP-21 requirements. The SSO program is responsible for independent safety oversight of rail transit and fixed guideway operations, including subway transit systems, subway/surface trolleys, as well as all stations and maintenance facilities related to these operations. The Pennsylvania systems covered by this oversight include:

- The Southeastern Pennsylvania Transportation Authority (SEPTA)
 - Market-Frankford Subway Elevated
 - Broad Street Subway
 - Subway/Surface Trolleys
 - Media/Sharon Hill Trolleys
 - Norristown High Speed Line
- The Port Authority of Allegheny County in Pittsburgh
 - Light Rail System (the "T")
 - Busways
 - Inclined Plane Railroads
- Cambria County Transit Authority in Johnstown
 - Inclined Plane Railroad

The SSO rule significantly strengthens PennDOT's authority through its designation as a State Safety Oversight Authority (SSOA) to investigate accidents and oversee a rail transit agency's implementation of its System Safety Program Plan (SSPP) and Public Transportation Agency Safety Plan. Pennsylvania's SSO certification ensures the continued flow of more than \$438 million in federal funding for public transportation recipients across the state.

REAL ID

To meet the federal requirement that all states comply with the REAL ID rules by October 2020, PennDOT is moving forward with plans for a voluntary opt-in plan for REAL ID participation. In

order to participate in the REAL ID program, residents will voluntarily provide the required documentation and be subject to verification of those documents.

PennDOT anticipates an estimated 25 percent REAL ID adoption rate, based on other reported state adoption rates, which amounts to 2.5 million current Pennsylvania residents. Of the 2.5 million customers, the Department anticipates 1.3 million customers will request a REAL ID product before October 1, 2020. PennDOT anticipates the remaining 1.2 million customers will request a REAL ID product sometime after October 1, 2020, the date U.S. Department of Homeland Security (DHS) has indicated it will no longer provide any additional compliance extensions.

The current Driver License Center infrastructure functions at maximum capacity for current customer flow before the addition of REAL ID, regarding both staffing and building size. Without additional capacity to meet the additional influx of customers, implementation of the two-tiered optional REAL ID system under Act 3 of 2017 may result in delays for customers seeking standard-issued driver licenses or photo identification cards.

To ensure customer access, convenience and a positive customer experience while containing costs, PennDOT will implement required security and process changes necessary to allow Pennsylvania residents who opt for a REAL ID to make an initial application and submit federally required documentation at local Driver License locations. These customers will then receive their REAL ID-compliant product promptly via mail delivery. The department will evaluate and increase staffing levels and hours of service at existing facilities as necessary to mitigate impacts to standard-issue driver's licenses or photo identification card customers.

For residents who require a REAL ID immediately for travel or other purposes, and to help address the expected surge of additional customers seeking a REAL ID, the department will also create or retrofit a limited number of Driver License Centers that will offer a same day REAL ID product. These new and retrofitted facilities will be strategically located throughout the state to respond to anticipated customer demand. The department expects to establish five to eight new REAL ID Centers, and to retrofit up to five existing Driver License Centers to be same day REAL ID capable. Additional centers will be upgraded to same day REAL ID capable when they are renovated per the department's standard renovation schedule.

Corresponding staffing increases will be determined as necessary to ensure smooth implementation of REAL ID and to address and manage the expected initial surge of customers at both existing and new centers. Total number of facilities and complement will be reduced over time through the consolidation of facilities and attrition of complement as the surge subsides. Planned availability of the optional REAL ID product is Spring of 2019, pending an additional waiver from U.S. DHS.

Again, thank you for allowing us the opportunity to review with you the work our nearly 12,000 employees do day in and day out for the more than 12 million people who call Pennsylvania home. We are committed to using the resources you give us wisely, effectively and timely to make this state a wonderful place to work and live.