



# The Bridge to Pennsylvania's Future

## ECONOMIC IMPACT OF TRANSPORTATION

- Today, Pennsylvania is at a crossroads. Our roads and bridges continue to crumble; our transit systems lack the funds for expansion needed to meet continued demand; and our railways, airports, and ports struggle to be economic generators for the 21st century.
- Creating an environment that fosters job growth and providing for public safety are among the most critical core functions of government.
- At a time when every state in the nation is working to recover from the recession, there is no single issue more important to Pennsylvania's future than job creation. Through investments in our transportation infrastructure, we can create family-sustaining jobs.
- Such an investment represents the type of economic catalyst that cannot be equaled by any government program or grant.

## PUBLIC SAFETY

- Pennsylvania leads the nation in structurally deficient bridges. 4,400 (18%) of Pennsylvania's 25,000 state-owned bridges are rated structurally deficient. Of these bridges, 650 are weight-limited, and another 50 have been closed.
- If Pennsylvania followed the Connecticut bridge standard, the number of weight-restricted bridges would jump to an alarming 14,000, which represent 56% of all Pennsylvania state-owned bridges.
- Of the 44,000 miles of state-owned roads in Pennsylvania, 9,000 miles (23%) are in poor condition.
- The public safety implications of these statistics are staggering. But we must also remember that Pennsylvania's local governments own and maintain more than 77,000 miles of roads and 12,000 bridges. 34% (4,000) of these locally owned bridges are rated structurally deficient.

## THE COST OF DOING NOTHING

- MSNBC ranked Pennsylvania 30th out of 50 states in 2012 when it considered which states are the best for doing business.
- Of the 10 categories used in scoring each state, Pennsylvania ranked 35th out of 50 for infrastructure and transportation. The longer we wait to make the necessary investment in our transportation system, the more we will continue in a downward spiral to the bottom.
- It is estimated Pennsylvania will see 12,000 private sector layoffs in transportation-related sectors.
- The number of miles of state-owned highways rated in poor condition will increase from 9,000 to 17,000 by 2017 (89% increase).
- 4,000 to 5,000 additional state-owned bridges will be weight-restricted, causing 31,000 children traveling in school buses to spend more time on poorer quality roads due to closed or posted bridges.
- Ambulances, fire trucks, and other emergency services personnel will travel greater distances due to posted or closed bridges, losing critical life-saving minutes.
- As transit agencies cut service, Pennsylvania's already overburdened highway system will see an increase in traffic, and seniors and the disabled will lose their link to medical and other life-sustaining services.

## THE BRIDGE TO PENNSYLVANIA'S FUTURE

- The Bridge to Pennsylvania's Future will invest an additional \$2.5 billion in Pennsylvania's highways and bridges, transit agencies, railways, airports, ports and bicycle and pedestrian programs by the fifth year of the plan.
- This plan follows the major recommendations of the Transportation Funding Advisory Commission (TFAC).
- In year five, this investment represents:
  - Approximately \$1.9 billion for Pennsylvania's state and local highways and bridges.
  - Approximately \$510 million for Pennsylvania's 36 urban and rural transit agencies.
  - Approximately \$115 million for Pennsylvania's railways, airports, ports and bicycle and pedestrian programs.

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## *THE BRIDGE TO PENNSYLVANIA'S FUTURE CONTINUED*

- Replaces the current annual vehicle registration with two-year registration.
- Moves from a four-year driver's license to a six-year driver's license.
- Eliminates vehicle registration stickers.
- Enables PennDOT and municipalities to work collaboratively to upgrade, modernize, and manage 14,000 traffic signals owned and maintained by local governments.
- Gives local governments the opportunity to participate in a new bridge bundling program, in which the local match will be reduced by up to 100%.
- Works to modernize and create efficiencies within Pennsylvania's transit agencies by studying merger and consolidation and requiring them where savings are identified.
- Provides drivers who have allowed their insurance to expire the opportunity to pay an optional fee to avoid a three-month suspension.

## *RESULTS OF THE BRIDGE TO PENNSYLVANIA'S FUTURE*

- The 50,000 new jobs estimated as a result of the Governor's \$1.8 billion plan will grow significantly, yielding additional economic activity and tax revenue.
- The dire threat to public safety will diminish as Pennsylvania's structurally deficient bridges and poor pavement quality are addressed.
- Investments in public transit will help to safeguard our most vulnerable citizens, namely senior citizens and the disabled.
- Investments in new capacity will create a more hospitable environment for business development in Pennsylvania.
- Providing the necessary funding for Pennsylvania's railways, airports, and ports represents an opportunity for Pennsylvania's manufacturing and burgeoning Marcellus Shale industries.
- Additional funding for bicycle and pedestrian programs will improve the quality of life for countless Pennsylvanians.

## *HOW WE GROW PENNSYLVANIA INTO THE 21ST CENTURY*

- Over a three-year period, gradually phases out the artificial wholesale price cap on fuel under the Oil Company Franchise Tax, which was put in place in 1983. At the same time, reduces by 17% the flat tax paid by consumers over a two-year period.
- Updates licensing, registration, and permitting fees to reflect inflation. The fees are indexed to inflation going forward to ensure Pennsylvania continues to invest in transportation in the 21st Century.
- Drivers who violate traffic laws will pay a \$100 surcharge, to be invested in transportation.
- Drivers who are cited with the Section 3111 "catch all" failure to obey traffic control device violation, which carries no points, will see their fine grow from \$25 to a sliding scale of \$100 to \$300, also to be invested in transportation.

# The Bridge to Pennsylvania's Future

	2013-14	2014-15	2015-16	2016-17	2017-18
<b>HIGHWAY/BRIDGE REVENUE</b>					
Oil Company Franchise Tax - Uncap Average Wholesale Price over three years	869,056,586	1,576,734,788	1,765,867,523	1,517,748,902	1,605,603,052
Reduce Liquid Fuels and Fuels Tax by one cent in FY 2013-14 and a total of two cents in FY 2014-15	(57,900,000)	(121,000,000)			
<b>Subtotal - Fuel Tax Revenue</b>	<b>811,156,586</b>	<b>1,455,734,788</b>	<b>1,765,867,523</b>	<b>1,517,748,902</b>	<b>1,605,603,052</b>
Biennial Registration	292,115,207				
Fee in Lieu of Suspension	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Fee Adjustments	328,520,276	372,313,711	325,829,107	389,571,256	294,487,084
<b>Subtotal - Other MLF Revenue</b>	<b>625,635,483</b>	<b>377,313,711</b>	<b>330,829,107</b>	<b>394,571,256</b>	<b>299,487,084</b>
<b>Total Highway/Bridge Revenue</b>	<b>1,436,792,070</b>	<b>1,833,048,499</b>	<b>2,096,696,630</b>	<b>1,912,320,158</b>	<b>1,905,090,136</b>
<b>TRANSIT FUNDING</b>					
Unprotected Fees	26,856,901	26,856,901	117,096,089	124,121,854	219,206,026
Act 44 Shift	55,000	55,000,000	110,000,000	110,000,000	165,000,000
Title 75 Fine Surcharge	75,546,228	89,531,877	94,997,916	98,320,597	100,517,777
Section 3111 Sliding Scale	25,500,000	25,500,000	25,500,000	25,500,000	25,500,000
<b>Subtotal - Transit</b>	<b>127,958,129</b>	<b>196,888,778</b>	<b>347,594,005</b>	<b>357,942,451</b>	<b>510,223,803</b>
<b>MULTIMODAL FUNDING</b>					
Unprotected Fees	61,770,872	61,770,872	61,770,872	65,477,125	65,477,125
Act 44 Shift	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
			20,000,000	20,000,000	20,000,000
<b>Subtotal - Multimodal</b>	<b>91,770,872</b>	<b>91,770,872</b>	<b>111,770,872</b>	<b>115,477,125</b>	<b>115,477,125</b>
<b>TOTAL ADDITIONAL FUNDING</b>	<b>1,656,521,071</b>	<b>2,121,708,149</b>	<b>2,556,061,507</b>	<b>2,385,739,734</b>	<b>2,530,791,064</b>