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Dennis Yablonsky **Testimony to Senate Transportation Committee** **Sept. 27, 2011**

I am Dennis Yablonsky, CEO of the Allegheny Conference on Community Development and the Greater Pittsburgh Chamber of Commerce.

Adequate investment in the state's transportation network is absolutely necessary for the well-being of the people of Pennsylvania. The transportation system – with its roads, bridges, mass transit, highways, ports, railroads and airports – is like the circulatory system for the economy. If it isn't all working properly, you won't be as healthy as you could be. And if things get too bad, you can suffer gravely.

The problem simply cannot be ignored.

Transportation investment drives job creation. Engineering and planning jobs today lead to thousands of construction jobs later on. More importantly, once the money is spent, you have a real working asset that helps drive more economic activity and sustainable prosperity.

The Transportation Funding Advisory Commission which Governor Corbett set up and on which I was privileged to serve established a realistic and credible framework for addressing the state's transportation needs in a responsible way, relying on a combination of user fees, cost savings, and recommendations to modernize delivery mechanisms.

The framework calls for the people who use the transportation network the most to pay for improving it. The bulk of the money in the package comes from adjusting drivers license and vehicle registration fees to account for inflation, and to remove an arbitrary cap on wholesale fuel prices. The money raised would go directly into maintaining the existing

highway, road, and bridge network, and to the construction of strategically important improvements.

People understandably resent paying higher taxes or fees where they can't see the local impact but that is not what the Commission is recommending.

The recommendations from the Transportation Funding Advisory Commission fit the classic definition of a user fee -- having the people who use the service pay for maintaining and improving it.

Ronald Reagan understood that distinction when he backed a nickel-per-gallon gasoline tax during the 1982 recession. As he said when introducing his proposal: "Good tax policy decrees that whenever possible a fee for a service should be assessed against those who directly benefit from that service. Our highways were largely built with such a user fee -- the gasoline tax. I think it makes sense to follow that principle in restoring them to the condition we all want them to be in."

What the President said almost 30 years ago still holds true today.

Business groups around the state have embraced these proposal, including the Pennsylvania Business Council, the Greater Philadelphia Chamber of Commerce, the Main Line Chamber of Commerce, and the Pennsylvania Motor Truck Association.

The companies that provide jobs for residents around the state understand how critical transportation is. And they know they are paying the cost regardless. Business need to get people and products to the right places at the right time to keep the economy moving. Right now, they are paying the cost in time and fuel lost to congestion,, in lengthy detours because of closed bridges, and through higher vehicle repair and maintenance costs resulting from crumbling roadways.

My counterpart with the Greater Philadelphia Chamber of Commerce, Rob Wonderling, a former chairman of this committee, spoke out strongly in a piece he wrote in the state's largest newspaper earlier this month: "The consequences of doing nothing will impact our economy, environment, and public safety...Addressing these issues now will jump start our economy and provide long-term benefits to our regional economic competitiveness."

PennDOT estimates that the Commission recommendations would cost a typical driver an additional two dollars and fifty cents per week by Year 5. If the improvements from PennDOT's investment plan can save drivers a gallon of gasoline per week, then they will come out ahead. Or they can burn up gas while sitting in traffic. But they will pay one way

or another. The inescapable truth is that steel rusts and concrete crumbles. And you have to invest at the right time, or you risk losing everything.

I understand the challenge of having to explain to the general public the necessity for higher fees to keep our transportation system working. And I recognize that some people will never be persuaded.

But Pennsylvania's business community needs no convincing.

Keep in mind that there is a price to be paid for inaction – from people looking for leadership to solve a problem that virtually everyone acknowledges. There is also an economic price to be paid, as a crumbling transportation system makes Pennsylvania less competitive – leading to fewer jobs, less investment, and ultimately fewer resources to deal with the state's other challenges.

The flooding damage to roads and bridges in recent weeks underscores the fragile nature of our infrastructure, and creates an immediate need to get moving. And it's not just that extraordinary damage that we must combat. Every day, PennDOT is posting new weight limits on roads and bridges in legislative districts across the commonwealth.

We need to move forward and we need to do it now.

Before I conclude, I would like to spend a moment emphasizing the importance of public transit.

The state relies on a transportation network. It has a variety of elements that must work together to get the job done. In some places, the roads are more expensive to build and maintain because of the terrain, the hills and streams they must overcome. In other places, it's less challenging and expensive. But the needs are equally important.

In Philadelphia and Pittsburgh, the transportation network relies strongly on public transit. Both cities are in the Top 10 in the country in transit usage. Roughly 70% of the workers in Central City Philadelphia rely on transit to get to their jobs. In Downtown Pittsburgh, the number is close to 50%.

Together those two regions produce two-thirds of the state's economic activity. And they can't maintain that without robust transit systems.

The challenges that SEPTA and the Port Authority face are different but increased and stable state funding is part of what they need. There is transit service in every county in the Commonwealth and it cannot be forgotten in any transportation solution.

Thank you for this opportunity to speak and I welcome any questions you might have.