

“The Transportation Challenges, Value, Needs and Opportunities for the Port of Pittsburgh Commission”

Presented to the Senate Transportation Committee, by

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Chairman Rafferty and Honorable Members of the Pennsylvania Senate Transportation Committee. Thank you for the opportunity to explain the transportation challenges, value, needs and opportunities for the Port of Pittsburgh Commission.

The Commission was created by PA Law and its 15 members are appointed by the Governor and the Legislative Caucuses. We have a staff of 5 persons and operate with a base budget of approximately \$900,000/year. Historically, most of the funding was provided by the Commonwealth, which we used to leverage federal and other outside sources to maintain and modernize our locks and dams, to help modernize the local towing fleet with cleaner burning engines and create a safer, more secure port district. As you may know, state funding has been restricted in recent years. This will significantly restrict the types of activities that the PPC wishes to undertake. You will hear more about that later. We appreciate that the Governor’s Transportation Finance Advisory Committee has recommended that funding be provided for intermodal transportation projects, including port and waterway related projects. We hope it is successful.

Our mission is to “promote the commercial use and development of the inland waterway transportation system and to integrate that system into the economic, environmental, recreational and intermodal future of southwestern Pennsylvania”. Unlike most port authorities or commissions, we do not own or operate any river terminals. This forces us to be more creative and to use our limited funds to leverage outside resources. Our model is to partner with the over-30 privately-owned “public” terminals that already operate as common carriers, and with the even more purely private terminals, as well as with other governmental units to make Pittsburgh the twenty-second busiest port in the nation, right behind Philadelphia, the twenty-first. Because we are on the end of the inland waterway system, however, our traffic has a much bigger job impact than a typical ocean/transshipment port may have. Our impact is great, but so is our need.

Since 2007, we have helped bring in \$300 million in federal funds for lock and dam modernization, \$10 million in federal Port Security Grants for the region, and \$1 million Diesel Engine Retrofit Grants for third parties. We expect to bring in at least another \$10 million for those purposes in the next three years, including a \$1.7 million grant directly to the PPC for our Wireless Waterway project, which our Executive Director will describe later.

Each year our port handles thirty to fifty million tons of coal and coke, rare ores and minerals, building materials, metals and petrochemicals, that are used to produce the electricity, plastics, specialty steels and other high value goods that our region is known for. This is mostly inbound raw materials that are processed here with Pennsylvania jobs. It is not the value of the goods we barge that matters, it is the value we add to those goods that does.

According to an economic impact study by Martin Associates, Lancaster, PA, the Port of Pittsburgh district maintains over 45,000 direct jobs and nearly a quarter of a million total Pennsylvania jobs to the region. It contributes over \$10 billion in local salaries and wages and \$1 billion in state and local taxes each year.

With the revenue we are given by the state and those that we generate ourselves, we:

- Provide \$100,000 in grants annually to municipalities and non-profits to promote the commerce, culture and conservation of our local waterways.
- Offer up to \$900,000 in low interest revolving loans to river related industries.
- Offer conduit financing for lease-backed private revenue bond economic development investments.
- Coordinate and administer \$10 million in federal port security grants.
- Apply for and administer federal EPA and CMAQ other federal grants to upgrade private towing vessels to cleaner burning engines and other eligible purposes.

Pittsburgh has grown up around the fact that the waterways can move very large volumes of raw materials without congesting our streets and highways. If we lose this resource, or even if it becomes uncompetitive due to poor conditions, it will put extraordinary strains on those streets and highways.

The Chamber recognizes the important value that the waterways industry brings to the region. As we partner with industry we think we deliver a very good bang for the buck. We know we face problems, but we appreciate the support the Commonwealth provides to those efforts.