

Transportation Funding Update

Over the summer months, two significant items affecting transportation funding occurred. However, the most critical issue—the enactment of a long term, comprehensive transportation funding package—still remains to be addressed.

Pennsylvania became the 33rd state to pass a law enabling public private transportation projects (P-3's). A Fiscal Note from the House Appropriation staff noted that, “the legislation has the possibility to generate significant revenue or reduce expenses for the Commonwealth if public-private transportation agreements are entered into.” While P-3's are a useful tool, the reality is that their utility is currently hampered by the lack of public funds and the continued restrictions on tolling imposed by federal legislation. The enactment of the P-3 legislation may present some additional opportunities in Pennsylvania, it should NOT be seen as a solution to the transportation funding issue. P-3's are considered a financing tool and not a funding tool to help bring transportation projects to fruition.

A 27-month federal highway funding bill was finally passed after nine short term extensions. The measure, called MAP-21, maintains fairly stagnant spending levels; however, indications are that Pennsylvania will receive about \$100 million less annually in each of the next two years. Some provisions give the states more flexibility and some focus areas have been endorsed by industry groups. It is important to note, however, the short term horizon for this bill, combined with the unsustainable reliance on the current federal gas tax, strongly indicates that future transportation funding will increasingly fall to the States.

The State Transportation Commission (STC) recently approved a new 12-year plan. Due to funding uncertainties at both the federal and state level, the new plan was reduced by 19 percent as compared to a plan approved just two years ago. Additionally, recent department studies indicate that the cost of fixing the problem grows by about \$1 million per day. This situation underscores the need for your continued support. There is a growing concern that if action is not taken in early 2013 then the window will close until perhaps 2015! We need to keep fighting!

The needs of transportation and highways have been well documented for many years. Governor Corbett received the recommendations from his own TFAC Commission over a year ago. But despite his assurance that he would shortly announce which recommendations he would endorse, nothing has come forward. Many of you have been greatly involved, and we need your continued help in advancing this critical issue.

The ASHE Harrisburg website has a Legislative Affairs Section. You will find there is a variety of information such as: The 2011 Transportation Funding Advisory Commission Report, links to other industry groups, and sample letters and contact information for your Legislators. The link to Reconnect PA provides a way to join the discussion and a link to the ongoing work of the Keystone Transportation Funding Coalition.