

Appropriations Statement

Chairman Adolph, Chairman Markosek and members of the Committee, thank you for having me today. I look forward to having a dialogue with you about ways transportation can help our Commonwealth.

I am honored that Governor Wolf has nominated me as his PennDOT Secretary. I look forward to working with all of you as we build on PennDOT's successes and meet the transformation, innovation, management and efficiency challenges that Governor Wolf has laid out for us in the executive branch.

PennDOT is well positioned for this challenge, given its 35-year legacy of continuous improvements. Over the last year alone, PennDOT has generated \$100 million in savings by re-examining processes and making changes. As Secretary, and in line with Governor Wolf's direction and leadership, I will continue to lead PennDOT in these important efforts.

I see great opportunity and responsibility in leading an agency that has received bipartisan support for the Commonwealth's transportation infrastructure and operations. I am confident that we can move forward together to improve Pennsylvania's economic opportunities and to provide a quality of life that our citizens expect and deserve.

With my 25 years of experience in the transportation field working primarily in the private sector on both small- and large-scale PennDOT, Pennsylvania Turnpike and Delaware River Joint Toll Bridge Commission projects, I learned the value of the big picture required of the planning side and the details needed on the project delivery side.

I would be remiss if I did not thank you again for the leadership and foresight the General Assembly showed in the fall of 2013 when it enacted Act 89. This far-reaching transportation law is viewed as a national model and certainly stands as a demonstration of the good for our society that bipartisan collaboration can achieve. Polls have consistently shown that this kind of government action is what voters want in order to address the problems society faces. The benefits of Act 89 – smoother pavements, bridges in better repair, more repairs on local roads, stabilized transit services and predictable resources for all transportation modes are-- and will continue--to make a huge difference in the quality of life for all Pennsylvanians.

Governor Wolf is taking advantage of a provision of Act 89 to accelerate highway and bridge project work. He envisions a three-year, \$500 million, long-term bond program: \$145 million this fiscal year, \$195 million in fiscal year 2015-16 and the final \$160 million in the third fiscal year. This will allow the Governor to more quickly address the backlog of bridge and road needs.

Act 89 will make it possible for PennDOT to invest an additional \$548 million in highway and bridge projects during the current fiscal year. The Governor's Budget for Fiscal Year 2015-16 plans another \$866 million in project work. With the added resources the General Assembly provided in Act 89, PennDOT added roughly 1,600 miles of pavement improvements and more than 80 additional bridge

repairs in 2014. Our contract awards--or lettings--totaled \$2.6 billion, compared to \$1.6 billion in 2013 – a 38 percent increase. This translated into thousands of good paying jobs for people in Pennsylvania and helped boost our economy as it continues to come out of the depths of the Great Recession.

In calendar year 2015, 673 projects worth \$2.4 Billion will be let with another 122 potential projects worth \$344 Million on deck.

Municipalities have long struggled with finding resources for maintaining their share of the road network – roughly 77,000 miles. Your approval of Act 89 has allowed the state to increase liquid fuels payments by \$58 million in the current fiscal year. The Governor’s Budget for Fiscal Year 2015-16 projects another increase of \$127 million. When fully implemented in 2018, Act 89 will increase liquid fuel payments close to \$200 million.

Because of the resources the General Assembly made available and the hard work of PennDOT staff, we have driven the number of structurally deficient bridges to roughly 4,000. This is a tremendous accomplishment. We have not had that few bridges listed as structurally deficient for nearly two (2) decades and it compares to the high of just over 6,034 structurally deficient bridges we had reached in 2008—a nearly 35 percent reduction.

In looking at the overall transportation funding landscape, I offer one additional important point – the current short-term federal transportation funding authorization expires in May. Pennsylvania and all the other states are facing much uncertainty as to how this pressing, long-standing issue will be resolved. At stake is roughly \$1.6 billion a year in federal highway and bridge funds for Pennsylvania. We have gone five years without a comprehensive six-year federal authorization, which normally allows us to better plan in the long range for projects. Revenue into the Federal Highway Trust Fund has been lagging for some time, and the President and Congress must reach agreement on finding additional resources so the federal-state partnership can be maintained. Reductions or disruptions of federal highway and bridge funds will undercut Act 89’s benefits and delay the benefits that many of you struggled so hard to achieve.

Besides the challenge of maintaining the large local road system, municipalities also must deal with the cost of maintaining traffic signals. If not maintained properly, traffic signals can play havoc with local travel. . To address municipalities’ difficulties in this area, PennDOT instituted its “Green Light Go” program. This multi-year initiative is intended to help traffic move better and eliminate needless travel delays. This program was one of the recommendations in the 2011 Transportation Funding Advisory Commission (TFAC) report. Municipalities split the cost of improvements 50-50 with the Commonwealth. In December, PennDOT awarded \$1.8 million to 38 municipalities for a variety of traffic signal upgrades and we just completed a review of a second round of applications that will be awarded in the next fiscal year. These improvements will mean much better traffic flow in communities across Pennsylvania.

Equally important in Act 89 was the addressing of the other modes through the dedicated funding in the Multi-Modal Fund. These innovations will help stabilize services provided for many of our citizens through the 37 fixed route transit agencies and the Shared Ride providers and for aviation, ports and

passenger and rail freight. The Governor is committed to developing our three ports to create jobs and build Pennsylvania's economy. Already, PennDOT has granted \$84 million in Multi Modal Transportation Fund investments to 86 projects in 35 counties including investments in our town and the bicycle and pedestrian network. In addition, five (5) transit projects were granted just over \$7 million in Multimodal funding.

Act 89 contained language to spur transit agencies into considering money-saving consolidations, and in November, Berks Area Regional Transit Authority (BARTA) and Red Rose Transit Authority (RRTA) approved a merger of administrative functions. Over five years, Berks County will save \$2.8 million and Lancaster County \$1.7 million in what would have been required local match for state transit subsidies. Even before Act 89, Rabbit Transit in York had managed shared ride services for Adams County and now manages Cumberland and Northumberland counties' shared ride services as well. Savings have exceeded \$400,000 a year.

With nearly nine (9) million licensed drivers and nearly 12 million registered vehicles, PennDOT has a clear goal of providing timely and efficient service to our customers.

To speed up the driver skills test process, PennDOT has introduced a mobile application to record test results for non-commercial licenses. This means the driver license examiner can enter the results electronically and immediately go to the next customer for the next test rather than return to the driver license center to complete the process. This translates into a 20- to 30-minute time savings for customers waiting for a test.

To honor the service of our military veterans, PennDOT has introduced new specialty license plates that depict the Combat Action Ribbon, the Combat Action Medal, the Combat Infantry Badge, the Combat Action Badge, and the Combat Medical badge to qualifying veterans.

Preparing teen drivers for a life time of safe practices behind the wheel is a challenge every parent faces. A new PennDOT partnership addresses this issue while saving the state nearly \$70,000 in annual printing costs. Every young would-be driver visiting our Driver License Centers for a learner's permit is now handed the new Parent's Supervised Driving program guide. The guide was developed by the Safe Roads Alliance and is sponsored by State Farm Insurance and Sheetz markets. The guide provides detailed steps for parents as they help their teens become life-time safe drivers. The program also features a mobile application to help parents track their teens' practice drive times and training progress.

We also have two new Mobile applications that allow users to practice for either the driver's test or the motorcycle test. The mobile apps are now available from the PA.gov Mobile App Store for downloading onto iPhone and Android devices: the PA Practice Driver's Test and the PA Practice Motorcycle Tests. The apps give users a realistic representation of the actual knowledge tests. Practice questions help users prepare for the PennDOT knowledge tests, or refresh their knowledge to help them become better drivers and riders. The applications also host valuable information for licensed drivers to stay safe, informed and compliant on the roads. Scores can be shared with friends and family via Facebook, Twitter or email.

We continue to work with the Pennsylvania Turnpike on studying the impact of 70 mph speed limits on certain interstates and a section of the Turnpike. The higher limits – called for in Act 89 – are on 88 miles of Interstate 80 between DuBois and Jersey Shore and on 16 miles of Interstate 380 from the junction with Interstate 84 to north of the Tobyhanna interchange. The 70 mph stretch on the Turnpike is between the Morgantown interchange and the Blue Mountain interchange. Penn State University is leading a study on this issue and we expect to make a decision on expanding the pilot areas this summer.

PennDOT has made tremendous strides in becoming a better business partner and better steward of taxpayers' dollars. I look forward to working with each of you as we continue to serve all of our constituents. I welcome your questions.