



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF TRANSPORTATION
HARRISBURG, PENNSYLVANIA 17101-1900

OFFICE OF
SECRETARY OF TRANSPORTATION

September 7, 2017

Honorable John Rafferty, Jr.
Senate of Pennsylvania
20 East Wing
Harrisburg PA 17120

Honorable John Sabatina, Jr.
Senate of Pennsylvania
457 Main Capitol
Harrisburg PA 17120

Honorable John Taylor
PA House of Representatives
214 Ryan Office Building
Harrisburg, PA 17120

Honorable William Keller
PA House of Representatives
326 Main Capitol Building
Harrisburg, PA 17120

Dear Gentlemen:

Under Governor Wolf's leadership, we work diligently and carefully to manage taxpayers' resources wisely to deliver the very best possible transportation services to a geographically diverse state. Our mission at PennDOT covers a variety of modes and must work within legal boundaries covering specific uses of separate funds. As such, we rely on several funding streams that must maintain balances, but those balances can be misconstrued as surpluses just sitting for transfer to other uses. That simply is not the case.

A new proposal from House Republicans to tap balances in 60 state funds includes the Public Transportation Trust Fund, the Multimodal Transportation Fund, and the Pennsylvania Infrastructure Bank. Most of these funds are not available, they are actually contractually obligated for current and pending projects. This could have been conveyed to House Republicans had the department been contacted prior to the release of this plan

Moving \$357 million from the Pennsylvania Public Transit Trust Fund would mean a 35 percent reduction in operating subsidies this fiscal year for the state's 37 fixed route transit agencies. That could translate into more than 30 percent service reductions and fare increases.

This would be cataclysmic for many of these agencies, particularly those located in smaller, more rural areas of the commonwealth, who are reliant upon the state for a majority of their operating subsidies. For example, a 35-percent reduction would translate to:

- A more than \$580,000 reduction for the Indiana County Transit Authority;
- \$1.7 million less for the Area Transportation Authority in the north central region;
- \$2.4 million less for the Central Pennsylvania Transportation Authority (rabbitransit);
- \$2.4 million less for the Red Rose Transit Authority;
- \$3.2 million less for the Berks Area Regional Transportation Authority;
- \$3.4 million less for the Erie Metropolitan Transit Authority; and
- \$6 million less for the Lehigh and Northampton Transportation Authority.

Also, loss of this money would eliminate the needed funds to maintain Amtrak's cross-state Pennsylvania passenger train between Pittsburgh and Philadelphia at a time when many in western Pennsylvania have been advocating for additional service.

The loss of \$120 million from the Multimodal fund will deny much needed assistance to communities, rail freight lines and airports around the state. Communities have limited resources for transportation improvements and increasingly rely on state funding to fill the gap and meet important needs, such as safety improvements to intersections and safety improvements for pedestrians and bicyclists. Assistance for rail freight is an economic generator that opens additional freight shipments to companies and allows them to grow their businesses and add jobs. Support for aviation improvements also helps attract businesses to Pennsylvania and again adds to the economy and supports job creation.

Cuts to Multimodal would come from both the Commonwealth Financing Authority and PennDOT's programmatic dollars. The Waterfront Development project in Allentown is an example of one project that received funding approval from both funds. Other projects which have benefitted from PennDOT multimodal investments include:

- A project to minimize traffic congestion and connect alternative transportation modes in the Borough of Seven Springs, Somerset County;
- Rehabilitating an apron at Arnold Palmer Regional Airport in Westmoreland County;
- Improving safety for pedestrians and cyclists on the Christian Street Bicycle Boulevard, as well as constructing the Northeast Trail Extension in the City of Lancaster; and
- A Zelenople Airport Authority project to relocate and realign roadway to improve sight distances and safety.

Likewise, the \$30 million in the Pennsylvania Infrastructure Bank supports a variety of local transportation improvements that simply would be unable to proceed without this low-interest-rate loan program. In fact, more than \$20 million of this funding

is already committed or in the approval process for projects improving community roadways. Examples of projects impacted by cutting this funding include:

- \$500,000 for public street and drainage reconstruction projects in North Manheim Township, Schuylkill County;
- \$26,000 for street improvements in Stillwater Borough, Columbia County; and
- \$263,000 for street and drainage improvements in Beaver Meadows Borough, Carbon County.

The proposal to take \$500,000 from the Highway Beautification Fund would force us to redirect funding from construction or maintenance activities. We rely on this fund to pay for federally mandated surveillance and enforcement of outdoor advertising and junkyard laws on more than 16,000 miles of roadway statewide. This is not a minor task – failure to maintain an effective program could result in losing up to 17 percent of the more than \$1.5 billion in total highway funds we receive from the Federal Highway Administration.

We hope you would agree that while it is important to find solutions to the current significant shortfall in revenues to support the 2017-18 budget already approved by the Legislature, it is critical that the answer be based on tapping sustainable and realistic funding streams. What has been proposed has not met that test, and we urge you to make your views known to House members.

Sincerely,



Leslie Richards
Secretary of Transportation

cc: Senate Transportation Members
House of Representatives Transportation Members