Governor Corbett’s Transportation Plan

Secretary Barry J. Schoch, P.E.
PA Department of Transportation

February 5, 2013
Transportation Goals in Pennsylvania

**Public Safety**

- 1.5 million students travel by school bus daily
- More than 4,000 structurally deficient bridges

**Commerce**

- $500 billion worth of goods and services move annually
- 1.4 million Amtrak riders spare highways from congestion
Transportation Assessments

- **Transportation Funding Advisory Commission Report (2011)**
  - Modernization
  - Finance
  - Legislation
  - [www.TFAC.pa.gov](http://www.TFAC.pa.gov)

- **PennDOT Next Generation Progress Report (2012)**
  - Modernization
  - $50-70 million in annual cost-savings
  - Stakeholder engagement
Governor Corbett’s Transportation Plan

Financial Components

- **Decreases** the flat tax by nearly **17 percent**
- Generates **$1.8 billion** by Year 5
- Utilizes the **Public-Private Transportation Partnership Board**
- **Ends contributions** from the PA Turnpike in 10 years
**Five-Year Financial Components**

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Finance Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>• Uncap first one-third of OCFT</td>
</tr>
<tr>
<td></td>
<td>• Cut $0.01 from flat tax</td>
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<tr>
<td>Year 2*</td>
<td>• Cut $0.01 from flat tax</td>
</tr>
<tr>
<td>Year 3*</td>
<td>• Uncap second one-third of OCFT</td>
</tr>
<tr>
<td>Year 4</td>
<td>• No finance action</td>
</tr>
<tr>
<td>Year 5</td>
<td>• Uncap final one-third of OCFT</td>
</tr>
</tbody>
</table>

*Potential use of bond financing in Years 2 and 3.*
### Governor Corbett’s Transportation Plan

#### Investment Component*

<table>
<thead>
<tr>
<th>Transportation Mode</th>
<th>Investment by Year 1 (est.)</th>
<th>Investment by Year 5 (est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Roads and Bridges</td>
<td>$300 million</td>
<td>$1.2 billion</td>
</tr>
<tr>
<td>Public Transportation</td>
<td>$40 million</td>
<td>$250 million</td>
</tr>
<tr>
<td>Local Roads and Bridges</td>
<td>$80 million</td>
<td>$200 million</td>
</tr>
<tr>
<td>PA Turnpike Expansion Projects</td>
<td>$30 million</td>
<td>$85 million</td>
</tr>
<tr>
<td>Multi-Modal Fund</td>
<td>$60 million</td>
<td>$80 million</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$510 million</strong></td>
<td><strong>$1.8 billion</strong></td>
</tr>
</tbody>
</table>

*Based on the current wholesale value of gas.
Modernization Component

- Enhance **customer service**
  - 2-year registration
  - 6-year driver’s license

- Improve **public transportation**

- Invest in **local roads and bridges**

- Create a **Multi-Modal Fund**

- Continue **PennDOT Next Generation Initiative**
Cost of Inaction

Annual Construction Lettings

Note: The sharp rise in 2009 is attributed to the American Recovery and Reinvestment Act.
Cost of Inaction

Impact on State-Owned Structurally Deficient (SD) Bridges

Number of SD Bridges

More SD Bridges

Current Funding

New Funding

Fewer SD Bridges
Cost of Inaction

Impact on Roughness of State-Owned Highways

*MIRI: International Roughness Index

Rougher Roads

Current Funding

New Funding

Smother Roads
Investing in Pennsylvania

- **Enhance safety** for all Pennsylvanians
  - 31,000 registered school buses
  - 1.5 million students travel by school bus daily

- **Sustain interstate economic competitiveness**
  - $500 billion worth of goods and services move annually

- **Improve mobility and customer service**

- **Create 50,000 jobs** as opposed to inducing 12,000 job losses
2012 Average Retail Price: $3.75

Source: U.S. Energy Information Administration
Oil Company Franchise Tax