



November 9, 2021

The Honorable Kerry Benninghoff
House Majority Leader
P.O. Box 202171
Harrisburg, PA 17120-2171

The Honorable Joanna McClinton
House Democratic Leader
P.O. Box 202191
Harrisburg, PA 17120-2191

RE: **PMTA Support for Senate Bill 382 - Reforming PA's P3 Statute**

Dear House Leaders:

On behalf of the Pennsylvania Motor Truck Association (PMTA), the American Trucking Association (ATA), along with every single business in PA that operates trucks, I am writing in **support of Senate Bill 382** and respectfully request its consideration by the full House.

PMTA believes that reforming Pennsylvania's Public-Private Transportation Partnership (P3) statute is vital to improving transparency; providing for stakeholder input; setting clear procedures for adopting transportation projects; and requiring legislative approval of projects with user fees.

Specifically, Senate Bill 382 (Langerholc-R) amends Title 74 (Transportation) to:

- Increase transparency by requiring PennDOT to publish a detailed analysis prior to the P3 Board's voting meeting, and mandate PennDOT to distribute a copy of the P3 Board's resolution, with or without a user fee, within 24 hours.
- Incorporate public input by creating a new 30-day public comment period prior to the P3 Board meeting.
- Create checks and balances on the P3 Board by clarifying any P3 project with a user fee shall be deemed disapproved unless the Governor and General Assembly approve.
- Void the PennDOT Pathways Major Bridge P3 Initiative and require reconsideration by the P3 Board following the new process outlined in the legislation.

PMTA greatly appreciated the opportunity to testify before the Pennsylvania House Transportation Committee twice this year on PennDOT's "Pathways Major Bridge P3 Initiative" and expressed our frustration with the disproportionate impact that tolling of interstate bridges across the Commonwealth would have on the trucking industry.

The trucking industry is already one of the most highly regulated in our country and one of the most difficult to maintain profitability in due to constantly increasing costs. In 2013, the General Assembly adopted a transportation funding package known as Act 89, which increased our cost of operating significantly. For the sake of the infrastructure improvements that we were promised, we supported the act only after PennDOT began to force the issue by weight restricting bridges throughout the Commonwealth.

It is important to note that Act 89 increased Pennsylvania's fuel tax to the highest in that nation at that time, and it remains the second highest in America today. Federal and State taxes on diesel fuel are almost \$1.00 per gallon.

Taking that a step further, in 2012 the taxes on diesel fuel alone for a single tractor trailer operating 100,000 miles per year at 5.5 miles per gallon in the Commonwealth totaled \$11,327. Last year, those same miles cost \$18,091, an increase of a staggering 60%. Additionally, Act 89 increased registration fees for trucks. Today, one tractor-trailer costs \$688.50 more to license in Pennsylvania than it did in 2012, while registration fees for cars have increased just two dollars in that time.

Ultimately, it is now \$7,452 more expensive per year to operate a single truck than it was before Act 89. And that is just one truck. Many businesses have truck fleets that increase this cost exponentially. As an example, a single PMTA member who operates six tractor trailers in their farm business is now paying \$45,000 more a year, a crippling increase for a business that already operates on a razor thin margin. Most trucking companies' profit margins are between one to three percent, leaving little room to absorb these costs.

According to the American Transportation Research Institute (ATRI), the trucking industry already pays nearly 40 percent of transportation funding in the Commonwealth while operating only nine percent of the miles. The roadways are our workplaces, and we want them to be safe and efficient like every other citizen in Pennsylvania. But the time has come for PennDOT to look elsewhere for funding.

Call it a user fee or a toll, bridge tolling is a tax – a tax that, should this initiative succeed, will have been enacted not by a vote of our elected officials, but by a decision made by a seven-person PennDOT Public-Private-Partnership Board. Senate Bill 382 would rectify this and at least provide the legislature with the ability to speak for their constituents on such a critical issue.

For the trucking industry, tolling is a tax that cannot be passed on to customers. Moreover, it further cuts into companies' already thin profit margins and jeopardizes the viability of this critical industry in our state. Pennsylvania's 37,440 trucking companies are integral to the state's economy, employing one in 16 workers directly, and many more indirectly. Manufacturing, agriculture, warehousing, distribution, and consumer goods depend on trucking, even more as e-commerce continues to grow. Making Pennsylvania's trucking companies less competitive will impact all the industries that depend on them, with ripple effects across regional economies and the state at large. It is essential that our legislative leaders be involved in such a significant decision, and Senate Bill 382 would provide just that.

Trucking delivers America, and we represent an industry that has gone above and beyond the call of duty in one of the most trying years in our nation's history. As we move toward recovery and examine long-term options for transportation funding, we look forward to participating in the conversation about more fair and equitable solutions.

Sincerely,



Rebecca Oyler
President & CEO
Pennsylvania Motor Truck Association
royler@pmta.org

BCC: House of Representatives