

March 15, 2021

The Honorable Wayne Langerholc
Chairman
Senate Transportation Committee
Senate Box 203035
Harrisburg, PA 17120-3035

The Honorable John Sabatina
Chairman
Senate Transportation Committee
Senate Box 203005
Harrisburg, PA 17120-3005

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

Dear Chairmen:

On behalf of the Pennsylvania Motor Truck Association (PMTA), the American Trucking Associations (ATA), along with every business in Pennsylvania that operates trucks, I am writing in **support of Senate Bill 382**, which was referred to the Senate Transportation Committee on March 9, 2021.

SB 382 (Langerholc-R) amends Title 74 (Transportation), in public-private transportation partnerships, establishing a definition for transportation-related service and providing analysis responsibilities by the board for transportation projects; and voiding prior initiatives of the Public-Private Transportation Partnership Board. Specifically, it provides for fixed notice requirements and public comment periods on projects. It also provides for the appropriate oversight by the General Assembly for transportation projects.

PMTA believes that reforming Pennsylvania's Public-Private Transportation Partnership 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.

PMTA greatly appreciated the opportunity to testify before the Pennsylvania Senate Transportation Committee earlier this year on PennDOT's "Pathways Major Bridge P3 Initiative," where we expressed our frustration with the lack of stakeholder input and 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 the country. It is also one of the most difficult to stay profitable in due to constantly increasing costs. In 2013, the General Assembly adopted a transportation funding package known as Act 89, which increased costs significantly. For the sake of promised infrastructure improvements, PMTA 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 the nation at that time, and it remains the second highest in America today. Federal and state taxes on diesel fuel are almost \$1 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 \$689 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 companies have fleets that increase this cost exponentially. As an example, a single PMTA member who operates six tractor trailers in their 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. 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-member P3 Board. SB 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. 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, with many more jobs indirectly linked to transportation. 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 SB 382 would provide just that.

Trucking delivers America. The industry has gone above and beyond 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,



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BCC: Senate Transportation Committee