

## **Pennsylvania's transportation funding needs I-80 to be a toll road**

by **Charles E. Greenawalt**

As lawmakers and the Rendell Administration grapple with the 2009-10 budget, there is good and bad news on the transportation funding front.

The good news: Since July 2007, the Pennsylvania Turnpike Commission has provided PennDOT with \$1.6 billion in new funding for roads, bridges and mass transit agencies statewide.

Few states, if any, can match this new level of supplemental funding. The bad news: To a great extent, the pressure for lawmakers to focus on funding our transportation system has been greatly reduced.

I do not mean too disengaged because the stakes here are enormous. I am concerned, however, that we have lost the focus on this key issue. Pennsylvania simply cannot afford to slide backward.

Just three years ago, transportation funding was a top-tier issue and for good reason: The Pennsylvania Transportation Funding and Reform Commission identified a \$1.7 billion annual gap in our funding for transportation. PennDOT, in a separate report, identified a \$600 million funding gap for our interstate system alone.

Act 44 was designed to begin closing this gap, and it is working.

Next fiscal year, the turnpike is scheduled to provide an additional \$900 million to PennDOT so that in a three-year period, our state will witness new investment of \$2.5 billion.

The law calls for higher tolls on the current turnpike system and authorized a "Public-Public" Partnership between the turnpike and PennDOT. Under this partnership, the turnpike has leased I-80 from PennDOT (the payments to PennDOT from PTC are in essence rental payments).

The state is seeking permission from the Federal Highway Administration to turn I-80 to a toll road. Unfortunately, the previous administration in Washington, D.C., did not approve the application. This is a mistake that the Obama Administration should rectify immediately.

Under Act 44, the turnpike's annual payment to PennDOT drops to \$450 million a year, which means that absent I-80 tolls, we will miss out on \$60 billion in transportation revenue in the next 50 years.

Act 44 deserves to be fully implemented because it still represents the smartest, most forward-looking solution to this funding crisis.

Its critics have focused mainly on an increase to the state gasoline tax and a possible lease/sale of the turnpike. Both notions miss the mark.

An increase to the gas tax just does not make any sense. Politically, lawmakers here and in Washington have shown absolutely no willingness to raise this tax.

Beyond the politics, Americans and Pennsylvanians are driving less, which means less gas tax revenue.

In fiscal 2008, Pennsylvania collected \$1.2 billion in liquid-fuels taxes, down from \$1.3 billion in 2007.

In addition, more Americans are turning to hybrid cars which, again, translates into less gas tax revenue. Act 44 is working.

It is fair. It is forward looking. It provides a dedicated revenue stream for our mass transit agencies.

The Obama Administration should approve our state's application to toll I-80 immediately.

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