



RELIABLE FUNDING FOR PENNSYLVANIA'S TRANSPORTATION SYSTEM

Through PennDOT Pathways, we're exploring alternative sources of funding to ensure a safe, reliable and equitable transportation system in Pennsylvania.

WE HAVE A SERIOUS PROBLEM, RIGHT NOW

Despite rising traffic and freight travel in our state, the funds available to maintain our transportation system have not kept pace with our needs due to the eroding value of the gas tax and uncertainty in future funding. Our investment needs are outgrowing our current funding, and this gap gets worse every year. That's why we've launched PennDOT Pathways. Through this program, we are analyzing new sources of funding for our transportation system that could better serve our communities and all Pennsylvanians for the next generation.





Bridge & Highway Funding

75% ON AVG.

Gas Taxes*

*Includes Federal and State Gas Taxes

17%

Vehicle Fees

9%

General Fund

Risk factors:
Fuel-efficient, hybrid and all-electric vehicles and eroding revenue from the gas tax

Unpredictable travel patterns since the pandemic

Unreliable future funding

Consider how much you pay annually for basic services



\$642
TV



\$720
Internet



\$876
Cell Phone



\$670
Electricity



\$380
Gas Tax

All figures as of 2020

Auto Industry Committed to EVs



Registered in Pennsylvania.



March 2019:
9,700
.....
July 2022:
31,000+

FORD	Option on all models by 2030
CHRYSLER	Option on all models by 2028
HYUNDAI	6 models by 2028
VW	All models by 2026
HONDA	Option on all models by 2025
VOLVO	All models by 2025
TOYOTA	Option on all models by 2025
GMC	40% of models by 2025
BMW	12 models by 2025

All data as of August 2022

\$6.9B
Highway and
Bridge Budget

About PennDOT's 25,400 bridges

2,400+ in poor condition

#2 PA's rank for number of bridges in poor condition

\$15B
Highway and
Bridge Needs



**\$8.1B
shortfall**

Limited funds results in lost time
and money for Pennsylvania
travelers and freight operators

Basic Needs

Critical Maintenance

Basic needs of our highways and bridges must be covered first to maintain safety and meet federal requirements

**Pavement
Repairs**
Fixing rough roads



Traffic
Reducing traffic
congestion



Reliability
Keeping bridges
and highways safe
and open



Impacts of Budget Shortfall

Impacts to PA



Delayed maintenance

Delayed maintenance leads to expensive fixes later and a risk of closures and detours

Lost time²

\$5.8B in lost time and fuel costs

Bridge closure³

One bridge closure can cost Pennsylvania drivers approximately \$70K per day

Impacts to the Traveling Public



More fuel and maintenance costs¹

\$550 per commuter lost

Lost time, wasted fuel²

\$1,100 in lost time and fuel costs per commuter

Unpredictable detours³

\$10 of fuel and vehicle costs per detour

Impacts to Freight Mobility



Weight Restrictions

NHS bridges may need to be posted with weight restrictions requiring detours that increase truck travel time and costs

Truck Bottlenecks

Pennsylvania has six of the top 100 "truck bottlenecks" in the United States – raising costs of goods and services

Additional Costs⁴

Costs truck drivers an additional 14.2 million hours per year

The budget shortfall impacts everyone - individuals like you, businesses across Pennsylvania and the goods and services on which we rely.

These reduced funds, combined with federal performance requirements, mean we've had to shift funding from other regional projects to maintain safety, overall pavement and bridge conditions on the interstates.

1. PennDOT highway/bridge budget and gap data as of 2021.
2. Based on the difference in vehicle maintenance costs for commuter driving an average distance of 30 miles per day to work (roundtrip) on smooth versus on poor quality pavement.
3. Based on congestion in PA urban areas, and monetized using national value of time rates, and average state fuel prices.
4. Calculated based on average detour length of 9.8 miles, average speed of 55 mph, and AADT for PA bridges.
5. Texas A&M Transportation Institute in the 2019 Urban Mobility Report.

What Have We Done So Far?



We've worked hard to make the most of our available funding and have found some ways to secure additional funding. For example, with the help of Act 44 and Act 89, we were able to generate revenue from the Pennsylvania Turnpike and gas taxes, allowing us to complete nearly 4,000 projects worth more than \$10 billion since its passage in 2013. We have more than 500 projects underway worth more than \$4.5 billion, and roughly 1,700 projects on our four- or 12-year plans. While Act 89 was a significant achievement, it did not meet the needs identified at the time and those needs have grown over time.

See active and planned construction projects at www.projects.penndot.gov.



Another huge step forward has been the creation of PennDOT Pathways. The Pathways program is part of PennDOT's commitment to phasing out the gas tax by analyzing and implementing alternative sources of funding for our transportation system that could better serve our communities and all Pennsylvanians for the next generation.





The Cornerstone of PennDOT Pathways: *Alternative Funding Planning and Environmental Linkages Study*

PennDOT Pathways began with an Alternative Funding Planning and Environmental Linkages (PEL) study, which was released for public comment in April 2021 and concurred on by the Federal Highway Administration (FHWA) in September 2021. The PEL study evaluated potential funding options and analyzed which options would likely work best for various situations, as well as which options would provide the best near- and long-term solutions.



The PEL study is broken down into the following sections:

- 1 Background about the transportation funding gap
- 2 Discussion of alternative funding options and which might be candidates for near-term or long-term solutions
- 3 Identification of methodology for addressing environmental effects of the solutions including effects on low-income and minority populations
- 4 Public and agency outreach conducted as part of the PEL study

What questions do we ask when analyzing a potential funding solution?

-  What are the benefits of this funding solution?
-  Are there any negative impacts of this funding solution?
-  What are the effects of this funding solution on low-income and minority populations?
-  Does the funding solution consider our infrastructure requirements?

When assessing long-term solutions, we also ask:

-  What approvals or authorizations will the funding solution require?
-  How long will it take to put the funding solution into practice?

Learn more at:

www.penndot.pa.gov/funding

PennDOT Pathways Potential Funding Solutions

Mileage-Based User Fees

These charges are a little different from tolls in that they may be tied to GPS technologies to calculate the number of miles you drive, not where you drive, or a flat fee as with Road-User Fees. Essentially, drivers would be charged a small fee for each mile they drive during the year.

Managed Lanes

Managed lanes are additional lanes on a highway where the traffic is managed for faster travel. With managed lanes, traffic can be regulated by charging a toll, or by encouraging carpooling. It offers a choice to drivers — to pay a fee, carpool, or use the regular lanes.

Bridge Tolling

There are several ways to fund costly infrastructure projects. Tolling, including bridge tolling, has been a proven way of doing so for a number of years across the country and the Commonwealth. The Pennsylvania Public-Private Partnership (P3) law, as amended by Act 84 of 2022, permits optional tolling via P3 contracts.

Congestion Pricing

Congestion pricing is another form of tolling where toll rates vary based on the congestion on the roadway — encouraging users to carpool or use alternative routes when traffic gets too heavy — creating a reliable speed and trip.

Corridor Tolling

Corridor tolling is similar to what we currently have on the Pennsylvania Turnpike. Corridor tolling means tolling interstates and expressways based on the distance traveled along that road.

Fees & Taxes

This may include vehicle-related or package delivery fees, and/or various taxes, with the exception of the gas tax.

Some of these potential funding strategies might work better in certain scenarios and locations than others. Tolling is permitted on highways under federal law, but legislative action would be needed to implement it in Pennsylvania; tolling an interstate corridor could be permitted through a federal pilot program, but additional legislative action would be needed for implementation in Pennsylvania. It's important that as we study funding options, we consider how different strategies could work together as both near- and long-term solutions.

To find out more about PennDOT Pathways and how we're working to provide safe, reliable and equitable transportation funding solutions, visit www.penndot.pa.gov/funding.



Visit www.penndot.pa.gov/funding
for up-to-date information about
PennDOT Pathways.