

COMMONWEALTH OF PENNSYLVANIA  
HOUSE OF REPRESENTATIVES

JOINT HEARING  
OF THE  
HOUSE TRANSPORTATION COMMITTEE  
AND  
SENATE TRANSPORTATION COMMITTEE

STATE CAPITOL  
HARRISBURG, PA

NORTH OFFICE BUILDING  
HEARING ROOM 1

MONDAY, OCTOBER 1, 2012  
10:00 A.M.

PRESENTATION ON  
PENNDOT'S NEXT GENERATION

BEFORE:

HONORABLE RICHARD A. GEIST, HOUSE MAJORITY CHAIRMAN  
HONORABLE KATE HARPER  
HONORABLE DICK L. HESS  
HONORABLE DAVID S. HICKERNELL  
HONORABLE MARK K. KELLER  
HONORABLE JERRY KNOWLES  
HONORABLE JIM MARSHALL  
HONORABLE KATHARINE M. WATSON  
HONORABLE MICHAEL P. MCGEEHAN,  
HOUSE DEMOCRATIC CHAIRMAN  
HONORABLE MIKE CARROLL  
HONORABLE PAUL COSTA  
HONORABLE R. TED HARHAI  
HONORABLE MARK LONGIETTI

\* \* \* \* \*

*Pennsylvania House of Representatives  
Commonwealth of Pennsylvania*

BEFORE (cont.'d):

HONORABLE JOHN C. RAFFERTY, JR.,  
SENATE MAJORITY CHAIRMAN  
HONORABLE JOHN H. EICHELBERGER, JR.  
HONORABLE RANDY VULAKOVICH  
HONORABLE TIMOTHY J. SOLOBAY

COMMITTEE STAFF PRESENT:

ERIC C. BUGAILE  
MAJORITY EXECUTIVE DIRECTOR

MEREDITH M. BIGGICA  
DEMOCRATIC EXECUTIVE DIRECTOR

I N D E X

TESTIFIERS

\* \* \*

<u>NAME</u>	<u>PAGE</u>
BARRY J. SCHOCH, P.E. SECRETARY, PA DEPARTMENT OF TRANSPORTATION.....	5, 6
RICHARD N. ROMAN, P.E. ASSISTANT DISTRICT EXECUTIVE FOR MAINTENANCE, ENGINEERING DISTRICT 8-0, PA DEPARTMENT OF TRANSPORTATION.....	28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

P R O C E E D I N G S

\* \* \*

HOUSE MAJORITY CHAIRMAN GEIST: Good morning, everyone.

We're here today to be educated by the Secretary on the Next Generation, and I think it would be appropriate if Members would introduce themselves around the table, starting with Paul.

REPRESENTATIVE COSTA: Good morning, Mr. Chairman. Good morning, everybody.

I'm Paul Costa. I represent the 34<sup>th</sup> District, which is the eastern suburbs of Pittsburgh and Allegheny County.

REPRESENTATIVE HICKERNELL: Dave Hickernell, the 98<sup>th</sup> District, Lancaster and Dauphin Counties.

REPRESENTATIVE LONGIETTI: Good morning.

Mark Longietti from Mercer County.

HOUSE MAJORITY CHAIRMAN GEIST: Would you like to make a few remarks while you're introducing yourself?

SENATE MAJORITY CHAIRMAN RAFFERTY: Sure.

John Rafferty, Senator from the 44<sup>th</sup> District, Chairman of the Senate Transportation Committee, partners with Representative Geist, Chairman Geist, and Representative McGeehan and Senator Wozniak.

I'm happy to have the Secretary here today. It's

1 always refreshing to have the opportunity to have the  
2 Secretary testify and update the Members of both  
3 Transportation Committees on the progress in PennDOT and  
4 what we can expect not only for this year, 2012, but for  
5 the future. So nice to see you again, Mr. Secretary---

6 SECRETARY SCHOCH: Thank you.

7 SENATE MAJORITY CHAIRMAN RAFFERTY: ---and thank  
8 you, Chairman Geist, for calling this hearing.

9 HOUSE MINORITY CHAIRMAN MCGEEHAN: Good morning.

10 I'm Mike McGeehan. I represent a portion of  
11 Northeast Philadelphia.

12 REPRESENTATIVE HARPER: Hi. I'm Kate Harper from  
13 Montgomery County.

14 REPRESENTATIVE KNOWLES: Yes; Jerry Knowles, the  
15 124<sup>th</sup>, which includes a portion of Berks and Schuylkill  
16 Counties.

17 REPRESENTATIVE KELLER: Good morning.

18 Mark Keller. I'm with the 86<sup>th</sup> District and  
19 represent all of Perry and part of Franklin County.

20 REPRESENTATIVE MARSHALL: Good morning.

21 Jim Marshall, representing the 14<sup>th</sup> District,  
22 which is in Beaver County.

23 HOUSE MAJORITY CHAIRMAN GEIST: Thank you all.

24 Mr. Secretary, in the interests of time, we'd  
25 like you to get started. There will be other Members and

1 Senators drifting in, and we will take the opportunity to  
2 introduce them when we can, and the floor is all yours.

3 SECRETARY SCHOCH: Thank you, Chairman.

4 Good morning, everyone.

5 Joining me today is Rich Roman, our Assistant  
6 District Executive for Maintenance in District 8. Rich is  
7 one of the members of our Next Generation team, and he's  
8 going to introduce the rest of his team, or at least the  
9 members who were able to join us here today, as we go  
10 through the presentation.

11 And I appreciate the opportunity to be here with  
12 the four Chairs and the Members of the committees to talk  
13 about Next Generation. I have sent you some briefings in  
14 the past about Next Generation and what we're doing  
15 relative to trying to make best use of every dollar we get.  
16 And we have a number of initiatives that are shown on this  
17 next graphic that I just want to kind of go through, and  
18 then Rich and I are going to tag team a little bit about  
19 describing what we're doing.

20 We have a number of different things that we're  
21 trying to do, and really it's all caught under an umbrella  
22 called Next Generation. And what that means is, how do we  
23 take what we're doing today to change, based on what's  
24 happening in technology around us, because that has a big  
25 impact on engineering and construction, change based on the

1 materials that are being used and manufactured and the  
2 different processes that can be used in design and  
3 construction? And we're really reaching out to every  
4 business partner and every employee in our organization  
5 through a number of different initiatives.

6           One is called IdeaLink. I think I mentioned that  
7 to you before. That is a Web-based tool that we use within  
8 the organization to solicit ideas from our staff. We put  
9 it up live about a year ago, August, and to date we've had  
10 over 800 suggestions that have come in, of which we've  
11 implemented over 200 of them. We're hitting about  
12 80 percent of those reviewed being implemented, at  
13 sometimes a higher rate, but in essence what that's telling  
14 you is we're getting good ideas from our staff.

15           Those come directly to me. They are reviewed by  
16 folks, and then I get to see the response before it goes  
17 back. And I can tell you, you all know my past in  
18 consulting engineering. The firm that I came from was  
19 350 people. I probably knew 250 of them by first name.  
20 Here, there are 11,700 employees. There are probably  
21 10,000 I may never meet in my time as Secretary.

22           IdeaLink has given me a chance to see from every  
23 corner of this organization suggestions from the staff  
24 about what they're encountering and what they think we  
25 could change in policies or practice to make it better for

1 our customers or better in terms of cost. And it gives me  
2 a great perspective on what's going on in every part of  
3 this organization, so I have thoroughly enjoyed it. It has  
4 also been a great benefit, I think, to the organization,  
5 because we're getting good ideas, ideas that are saving  
6 time and money. We're making it better for customer  
7 service.

8 Another effort that we're doing goes outside of  
9 PennDOT. The hearing we had last week, I'm also a  
10 Commissioner at the Turnpike, and having been a consultant  
11 to both organizations in the past, I knew there were things  
12 that both agencies, even though they were designing  
13 highways and bridges and constructing them, both in  
14 Pennsylvania, things that they did differently.

15 And when Craig Shuey, Roger Nutt, and I and  
16 Chairman Lieberman and the other Commissioners sat down,  
17 one of the things I talked about was the need to get us on  
18 the same page where possible so that we didn't cause our  
19 business partners any additional cost and we weren't  
20 reinventing the wheel, meaning we weren't researching  
21 something or studying something at the same time they were.  
22 Because in the end, it's just highways and bridges in  
23 Pennsylvania. It's not as though we're designing something  
24 different. They have toll collection facilities that are  
25 different; otherwise, pretty much the same scope of



1 business.

2           So we call this Mapping the Future, and we got  
3 all of our department heads together at PennDOT and the  
4 Turnpike to identify anything we were doing differently and  
5 how quickly we could get on the same page to reduce either  
6 our costs or the costs of our vendors and customers that do  
7 work for us. That has gone extremely well. We've  
8 identified a number of areas where there was overlap, where  
9 we were both spending money on the same thing, being able  
10 to reduce those areas and one of us take the lead, be it  
11 training, be it purchasing, be it software, be it  
12 communications. All those groups are working together on a  
13 regular basis to make sure that we're not spending one  
14 dollar of the taxpayers' money, be it in our revenues or  
15 the Turnpike revenues, on the same thing.

16           And I think I have relayed one story. On the  
17 maintenance side, the Turnpike was looking at designing a  
18 new maintenance facility out at Somerset. When we got our  
19 maintenance folks together and simply looked at the way we  
20 did our maintenance design and they did theirs, they felt  
21 that our design was more efficient. They changed the  
22 design, and it's going to save \$12 million on that facility  
23 in Somerset. That's \$12 million to go back into projects  
24 in the Turnpike without changing the toll structure. So  
25 we'll get more out of the dollars we're getting in revenue.

1           In a similar fashion, Rick Allan, Secretary at  
2 DCNR, and I sat down and looked at our facilities and said,  
3 you know, we do a lot of the same thing. They have a lot  
4 of roads and bridges that they maintain. Their peak season  
5 is in the summer, ours is in the winter. They do bridge  
6 inspections; we do bridge inspections. And they do  
7 licensing and registration. They license and register ATVs  
8 and snowmobiles. We do it for automobiles and trucks.

9           One of the first things we looked at was simply  
10 that area. They were doing it still by stuffing the  
11 envelopes with the coupon and then opening them and  
12 depositing checks. We have a machine about half the size  
13 of that wall behind you all down at the ROC that sorts and  
14 scans based on the barcodes, and we do more transactions in  
15 1 day than they do in an entire year.

16           So we got our IT folks together and said, if we  
17 could put a barcode on the back of the snowmobile and ATV  
18 cards and have those folks mail them back in and we sort  
19 and scan and electronically deposit them, what would it  
20 cost us compared to the nine people that they were  
21 currently using? We found that it would cost \$75,000. So  
22 we'll be charging DCNR \$75,000, because we use Motor  
23 License Fund money. But they will reassign those nine  
24 people to other tasks and provide additional services in  
25 areas where they have had to cut back without asking for

1 any additional funding from the General Fund.

2           Beyond that, when we sat down, Rick and I felt  
3 that there was an opportunity to look, once again, like we  
4 did with the Turnpike, at every line of business and see  
5 where there are other opportunities that we could  
6 cost-share or reduce costs by eliminating overlap. Because  
7 in essence, on your behalf as the board of directors of  
8 this Commonwealth, we're sister companies owned by the same  
9 parent company, and if this was in my prior life, two  
10 different companies owned by McCormick Taylor, we, as a  
11 matter of fact, would be looking at identifying overlap and  
12 reducing it, and we want to do the same thing here.

13           So these are two other initiatives called Mapping  
14 the Future that, again, are a part of the Next Generation  
15 but something that is ongoing. We're going to continue to  
16 look department by department to make sure we're not  
17 spending the same dollar twice and see if we can go across  
18 agency lines to reduce costs.

19           In addition, as you know, we outsource 76 percent  
20 of every dollar we get. So everything we do, everything  
21 you see PennDOT do, whether it's maintenance, landscape  
22 work, you know, whether it's paving, design, anything you  
23 see us do, we outsource a portion of everything. And as a  
24 total, we outsource about 76 percent. What that means is  
25 we have a great deal of private partners that do work for

1 us and know our business, and we wanted to reach out to  
2 them in the same vein and say, what do you think we could  
3 do that would reduce costs, improve the product, or improve  
4 the time in which we deliver our services?

5           And we formed, in partnership with the Federal  
6 Highway Administration, what we call the State  
7 Transportation Innovation Council. That's a 40-member  
8 organization that includes private-sector firms who do  
9 business for us, that includes universities that do  
10 research in this field, and we asked them for the same  
11 thing: What suggestions do you have that you think we could  
12 utilize new technology, new products, or changing methods  
13 of production that will, again, reduce our costs or provide  
14 more service for the same dollars?

15           That group meets on a quarterly basis, and they  
16 make their recommendations of ideas. They get studied by a  
17 collaborative team of private folks and our folks to  
18 determine whether or not they can be useful. Then they  
19 make a recommendation back to the chairs, the co-chairs,  
20 which are me and Renee Sigel, the Regional Director here at  
21 the Federal Highway Administration, the Division  
22 Administrator, and she and I act on those recommendations.  
23 So again, we're reaching out in the same vein with our  
24 private-sector folks.

25           And then finally, the overarching one, I will

1 say, that is the umbrella for all of them is Next  
2 Generation. And here what we're doing is engaging our  
3 staff in looking for opportunities to save time, costs,  
4 et cetera, throughout the entire organization. Rich is  
5 going to go through the detailed practice with this. But  
6 in essence what we're doing is we're challenging everyone  
7 to get together by business line, meaning everyone across  
8 the State, we have 11 different district offices that all  
9 basically have the same charge and responsibility. And  
10 they have different meteorological conditions, different  
11 traffic conditions, but they're basically doing the same  
12 thing, and we have a central office staff.

13 What we wanted to do is get everybody together  
14 and say, for instance, and Rich will talk about some of  
15 these examples so I won't go into them in detail, but  
16 everybody does bridge design: How are we doing it? What  
17 are we doing? How are we doing it? What are we using?  
18 How can we reduce the costs, or do we have overlap? Are we  
19 doing things differently? Should our processes,  
20 procedures, et cetera, be updated? Or should the  
21 organizational structure change, meaning do we need bridge  
22 engineers in all 11 districts, as a basic question.

23 So we're going through that and looking at every  
24 single business practice. And we're in the midst of that,  
25 and Rich is going to give you a status of what we're doing.

1 But, you know, Chairman Geist and I have talked about our  
2 early days in this field and designing things where we  
3 actually calculated things with slide rules and calculators  
4 and had drafters, and when we wanted to look at a set of  
5 plans, you looked at a set of plans. You rolled them out  
6 and you gathered everybody around and looked at them.  
7 Today, we do everything online, everything electronically,  
8 and whether people are sitting next to each other in  
9 cubicles or sitting in different cities, they're doing it  
10 exactly the same way and can work efficiently through those  
11 methods. So we feel it's time to look at our  
12 organizational structure and say, should technology have a  
13 factor in the way we're staffed throughout the  
14 Commonwealth?

15           And this entire process involves looking at the  
16 people, the processes, and the policies. And everything is  
17 on the table, meaning we challenge the staff that's  
18 involved in every part of our business to say if there's  
19 anything, anything at all, that you think we should be  
20 looking at to do differently, that will make it easier for  
21 you or less costly, let's examine it, and then together --  
22 together -- those folks involved in each line of business  
23 will make the decision.

24           This is not the Deputy Secretaries and I sitting  
25 around saying, let's change the way we design bridges.

1 This is people who design bridges for a daily living  
2 sitting down together and saying, here's what should be  
3 done differently.

4           So we're basically involving the people. And  
5 again, I mentioned we're looking at a topic that we call  
6 "Regionalization," meaning rather than having the same  
7 capability in every district, could it be regionalized,  
8 thereby reducing personnel costs or reducing service time  
9 and costs? How do we balance and share resources inside  
10 the department before we go out of house -- something that  
11 every private consulting firm does on a daily basis. We  
12 want to bring that to the government-sector side; again, to  
13 reduce our costs and provide efficiencies in delivering  
14 what you charge us to do, which is do the best we can with  
15 the dollars you give us for transportation investment.

16           So at this point, I am going to again reintroduce  
17 you to Rich Roman. Rich is going to talk about, we wanted  
18 to pilot some things to see whether or not this was going  
19 to be an effective process and then roll it into the rest  
20 of our organization. So again, Rich is our Assistant  
21 District Executive from District 8 for Maintenance, and he  
22 is one of a number of people, senior people, that we have  
23 assigned full time in the core team to manage this effort.

24           Chairman?

25           HOUSE MAJORITY CHAIRMAN GEIST: Thank you very

1 much.

2 I'm going to open it up for questions right now.

3 SECRETARY SCHOCH: I'd like to let Rich -- I  
4 thought you were interrupting me and wanted to add  
5 something.

6 HOUSE MAJORITY CHAIRMAN GEIST: No; no.

7 SECRETARY SCHOCH: Do you want to open it now?

8 HOUSE MAJORITY CHAIRMAN GEIST: Yeah, just for  
9 some questions for you.

10 SECRETARY SCHOCH: Okay.

11 HOUSE MAJORITY CHAIRMAN GEIST: And the first one  
12 that I have is, for the 34 years that I have been here, I  
13 have never understood how transportation functions get  
14 taken care of by other departments where they're not a big  
15 deal, whether it's the PUC inspectors or whether it's  
16 Weights and Measures or everything else. All  
17 transportation should report to a Deputy Secretary at  
18 PennDOT in certain ways, and if you're going to need some  
19 legislation to do this, I think that should be included in  
20 there.

21 SECRETARY SCHOCH: One of the things we'll be  
22 coming back to you with as a result of this will be things  
23 that, and I'll get this in the end, but we're going to give  
24 you a summary report at the end of the year. We will be  
25 giving you things that if you change legislation we believe



1 will make it more efficient. So there will be  
2 recommendations back to you that will be legislative  
3 changes.

4           Some of them don't require legislation. You make  
5 a point about other agencies involved in transportation.  
6 DPW and Aging, those two Secretaries and I have gotten  
7 together with our team, because they each have money that  
8 they oversee for the Shared Ride services. They're looking  
9 at consolidating those within our agency rather than having  
10 three agencies involved in oversight and disbursement of  
11 funds for the same basic service. It may be for a  
12 different purpose each time, but it's the same basic  
13 service, which is the Shared Ride service.

14           So you're right; there are other agencies that  
15 are involved. Some of it doesn't require legislation, some  
16 of it will. But part of Next Generation is to identify  
17 anything that we may have to come back to the four Chairs  
18 and say, here are things we need you to introduce in your  
19 committee that will improve efficiency for us statewide,  
20 whether it's within the department or, again, different  
21 agencies.

22           HOUSE MAJORITY CHAIRMAN GEIST: John? Does  
23 anybody have questions for the Secretary before we proceed?

24           The Representative from Ohio.

25           SECRETARY SCHOCH: Almost. Right, Mark?

1           REPRESENTATIVE LONGIETTI: Yeah; they're  
2 expanding the border.

3           Just some general comments, because you did  
4 mention in your testimony about saving money through  
5 materials, and I know my engineering district has been,  
6 I think, relatively aggressive in using recycled pavement,  
7 and it seems to be a pretty successful program. And some  
8 engineering districts are moving in that direction, others  
9 not so much. I wanted to see if you could comment on that.

10           And then also if you all have ever looked at what  
11 they call using fiber to extend the life of pavement? I  
12 had an eye-opener. There's a company that's outside of my  
13 district but in my county called FORTA Corporation, and  
14 they've been doing some work with some DOTs in different  
15 parts of the State. And at least according to their story,  
16 it can be an effective way to extend the life and be cost  
17 efficient.

18           So I thought if you would like to comment on both  
19 of those.

20           SECRETARY SCHOCH: Sure.

21           The first one, the recycled asphalt pavement,  
22 we're all using that statewide, and your district had been  
23 maybe more aggressive in the early years of using that. But  
24 it's interesting; you know, the recycled pavement involves  
25 when we take the asphalt up, recycling it, and then taking

1 it to a pug plant and putting it back down as part of the  
2 new pavement, which reduces our costs.

3 In the past, that material all went to the  
4 contractor, and then what they did was they recycled it and  
5 used it for private paving. So the private companies are  
6 now complaining because the paving costs are going up,  
7 because we're keeping our recycled asphalt. So it's  
8 interesting that while we're increasing our usage of it, if  
9 you talk to owners of commercial real estate where they do  
10 paving, they are then going to be complaining that there is  
11 not as much recycled asphalt, which is driving their costs  
12 up, because there is only so much of it, frankly, that can  
13 be recycled.

14 But we are using it, and we're increasing not  
15 only the use of it but also increasing what we stockpile  
16 and what we require we want to keep in terms of percentage  
17 of the recycled asphalt. But we're doing it in every  
18 engineering district at this point.

19 In terms of the fibers, we're piloting both the  
20 plastic fibers -- is that what you're talking about? Is  
21 that the company that's in your area? We're also looking  
22 at rubber, crumb rubber, and the rubber additives to extend  
23 the life of the asphalt. We have a project right now in  
24 District 5 down in Allentown where we're piloting a crumb  
25 rubber. We also piloted the plastic fibers. And we have

1 seen, again, we do a lot of research with other States as a  
2 part of AASHTO and our work with the other organizations  
3 across the country to try to examine meteorological  
4 conditions and the effect on these materials, because we  
5 all have different meteorological conditions which can  
6 affect aging.

7 But we will pilot just about anything if we  
8 believe it has an opportunity to extend the life, and then  
9 we'll measure it to see exactly how it worked. And a lot  
10 of what you're seeing today in like our microsurfacing, the  
11 very thin overlays, that's an advancement in technology  
12 that we're using in pavement.

13 So we've moved a long way on recycled pavement  
14 and on some of the other different treatments, and we're  
15 going to continue to pilot everything we learn or hear  
16 about to see whether it can be effective.

17 REPRESENTATIVE LONGIETTI: Thank you.

18 HOUSE MAJORITY CHAIRMAN GEIST: Representative  
19 Marshall.

20 REPRESENTATIVE MARSHALL: Thank you,  
21 Mr. Chairman.

22 As Mark and my districts are quite near each  
23 other and both border Ohio, I think there's some  
24 similarity. But I recently toured a paving company in my  
25 district that does a lot of work for both the Turnpike and

1 PennDOT, and they recycle the pavement. They have  
2 different stockpiles -- the Turnpike's materials here and  
3 PennDOT's materials here -- and one of the problems that  
4 they brought to my attention is I guess the recipes for the  
5 paving, where there maybe used to be three or four grades  
6 of paving, now there's maybe even up to a dozen different  
7 formulas.

8           Is there something that the State could do to  
9 reduce costs by coming up with, say, a recipe that they  
10 could all agree with? Or do you think that there are just  
11 that many differences?

12           SECRETARY SCHOCH: Well, I think in terms of the  
13 different pavements that we have, the Turnpike and us, it  
14 depends on the type of facility. We have a different type  
15 of skid resistance and a different type of strength of  
16 pavement based on what you're driving on. Is it  
17 interstate-type highways or is it back roads?

18           So there is a difference, and there is a  
19 difference in terms of what the Turnpike material -- first  
20 of all, they're separating that because the Turnpike paid  
21 for it, so it goes back to the Turnpike, because it's  
22 Turnpike-owned material. That's why they're stockpiling  
23 that separately.

24           But we can certainly look into that, sir. I  
25 mean, but all the divisions of pavement we have are based

1 on the intended use and the traffic that is going to be  
2 using that facility. We do a lot of research on the  
3 materials to say what type of materials should we be using  
4 based on the expected traffic volume and percentage of  
5 trucks? And we're basically trying to economize by saying  
6 we want to put the right pavement down so it will last the  
7 longest amount of time. That's what ends up with the  
8 number of, as you say, formulas for the mixes.

9 But what's the name of the paving company?

10 REPRESENTATIVE MARSHALL: Lindy.

11 SECRETARY SCHOCH: Lindy? We'll reach out to  
12 them and get their ideas on this. And they should be --  
13 this is part of the State Transportation Innovation  
14 Council. The asphalt paving industry is represented on  
15 that council, and that's exactly what we're looking for  
16 from the private sector, is to tell us if there are things  
17 that they believe that we're requiring that they think is  
18 costing money, that we can discuss it as a group, involving  
19 them with our folks, and decide whether or not it's  
20 something we should change or whether or not there's reason  
21 to stay with the current course of action. But we'll reach  
22 out to Lindy.

23 REPRESENTATIVE MARSHALL: And the other thing  
24 that they mentioned, Mr. Secretary, was the value of the  
25 paving, of the recycled paving material, was the oil

1 content, and they felt that some of the districts were  
2 reusing the millings for berming or other fill when the  
3 high oil content of it made it more valuable to reuse for  
4 repaving. And you had mentioned that you're recycling at  
5 all the districts, so I just want to make sure that your  
6 districts value that oil content in the paving material and  
7 use it for recycling predominantly and less for fill or  
8 berming.

9 Thank you, Mr. Secretary.

10 SECRETARY SCHOCH: Thank you.

11 HOUSE MAJORITY CHAIRMAN GEIST: Senator

12 "Lightbar."

13 SENATOR SOLOBAY: Some things never go away, do  
14 they, Mr. Chairman? Thank you.

15 Mr. Secretary, a question for you related to line  
16 painting. We're not going to talk about going over dead  
17 animals or anything like that. But as we run into  
18 situations out in the southwest, and I'm sure they may be  
19 having this somewhat up in the northeast where a lot of the  
20 drilling activity is going on, on some of the smaller two-  
21 lane State-maintained roads there has been, at least that's  
22 been brought back to my attention, in some cases they have  
23 determined or decided not to do line painting on all the  
24 secondary two-lane roads.

25 One of the problems that we're having on the

1 safety aspect of things is, again, some of these drivers  
2 may be familiar or not familiar with the roadways, taking a  
3 little more of the space than what they should, and the  
4 locals are concerned that without lines, people can't  
5 really determine where the actual lanes are on some of  
6 these smaller State roads.

7 I'm just wondering in that case, and I understand  
8 if there's a cost-reduction plan on maybe not painting  
9 lines on all roads if it's shown to be maybe a safety-  
10 related issue because of heavier truck traffic and  
11 activity, if that could be looked at as far as maybe a  
12 waiver and allow that painting to go on in some of those  
13 secondary roads.

14 SECRETARY SCHOCH: Absolutely. I mean, safety is  
15 a primary concern for the agency. And actually, Rich is  
16 going to be talking about this, but one of our next topics  
17 we're looking at in Next Generation is call all the people  
18 together that do line painting and take a look at what  
19 we're doing today and what we should be changing going  
20 forward. But we'll bring that up as part of the group to  
21 take a look at that.

22 SENATOR SOLOBAY: Thank you.

23 HOUSE MAJORITY CHAIRMAN GEIST: Representative  
24 Hess.

25 REPRESENTATIVE HESS: Thank you, Mr. Chairman.



1           Barry, you need a portable mic as many of these  
2 forums that you sit on and the traveling all over the  
3 State. You just need a portable microphone to clip on your  
4 tie.

5           SECRETARY SCHOCH: I think some people think I  
6 shouldn't have a microphone. But it's debatable.

7           REPRESENTATIVE HESS: I only have one question.

8           We talked about the milling and the asphalt that  
9 the State is removing. You talked about stockpiling it.  
10 Do you use it all or do you sell some of it? And where do  
11 the townships and the local municipalities stand as far as  
12 being able to bid for some of this used asphalt rather than  
13 going back to the public for selling it to the contractors?

14           SECRETARY SCHOCH: Well, that's a good point.  
15 I'll have to look into that relative to townships coming  
16 back at it. Our intent is to use it, because it's, you  
17 know, 20 percent, 30 percent maybe of the total project  
18 paving.

19           And it is an economic issue. When I brought up,  
20 you know, when Mark first brought this up, it's something  
21 that we are seeing. As I said, it's the trickledown  
22 effect. There's a finite supply of this, and when we use  
23 it, it drives up the cost of other, whether it's township  
24 or private paving, because that's how they keep those costs  
25 down as well.

1           We're trying to keep our costs down. The more of  
2 it we retain and keep down at our end, we're reducing the  
3 supply, which then means you're using new pavement  
4 materials for the township paving and/or commercial paving,  
5 private paving.

6           But we'll look into that. I'm not aware,  
7 frankly, whether or not we offer that to municipalities if  
8 we do have excess, but I'll take a look at that.

9           REPRESENTATIVE HESS: I think that would be  
10 something that would be good rather than offer it to the  
11 contractors, to the municipalities, because I know mine are  
12 clamoring with me all the time, where can we get this  
13 milling, or we don't have a lot of money to do it and maybe  
14 it will give us another extra mile of road, being able to  
15 buy it a little cheaper.

16           SECRETARY SCHOCH: Right, the same thing we're  
17 trying to do.

18           REPRESENTATIVE HESS: Yeah.

19           SECRETARY SCHOCH: Yeah. But I'll look into  
20 that. I don't know if we offer it to them. I'm not  
21 certain either that we have excess, but if we do, that  
22 certainly should be the first place we go, is to our local  
23 partners.

24           REPRESENTATIVE HESS: Exactly. Thank you very  
25 much.

1                   HOUSE MAJORITY CHAIRMAN GEIST: Mr. Secretary,  
2 let's move on.

3                   SECRETARY SCHOCH: Okay. Again, I'll turn this  
4 now over to Rich Roman, and he's going to give you an  
5 update. He's going to introduce you to the team members  
6 that are here.

7                   And, you know, the reason we brought the team is  
8 I want you to understand how important this whole effort is  
9 to us as an organization. A lot of times when you do this  
10 type of work, you say, okay, we're going to have people do  
11 it on top of their normal jobs. And as you all know, we're  
12 all busy, and these folks were all busy to start with, and  
13 saying we want you to do this Next Generation work on top  
14 of everything you're doing we felt would not have elevated  
15 the importance of it nor given it the justice it deserves  
16 with the resources.

17                   So as he introduces these folks, I want you to  
18 know this is a cross-section of senior people in the  
19 organization in key positions that we have temporarily  
20 pulled out of their jobs and put them in the Next  
21 Generation office down at the ROC, meaning this is their  
22 full-time responsibility right now.

23                   And others are stepping up for them in their  
24 other responsibilities. But this is a high level of  
25 importance within our organization, and the staff that he

1 is going to introduce all are senior people within our  
2 organization that have been pulled into this temporarily  
3 and will be rotated in and out.

4           As Rich has pointed out, one of the benefits  
5 beyond what we're achieving in terms of savings and  
6 updating our practices is he had the same feeling I did  
7 when we looked at IdeaLink, is that this might be something  
8 we should require for senior management to rotate through.  
9 If you're going to be a leader of the organization, you  
10 learn a lot about the entire organization when you're  
11 overseeing an investigation of every line of business, and  
12 it very well could be something that we do as part of our  
13 leadership training going forward, because it has been  
14 effective from that standpoint, too.

15           So, Rich.

16           MR. ROMAN: Good morning.

17           I'm going to recognize our team here. If you  
18 could please stand up.

19           We'll start from the left: Brian Thompson. Our  
20 Project Manager is Don Bricker. Denise Reis from  
21 District 3. Jamie Legenos from our Press Office. And  
22 Craig Reed from Municipal Services. Thank you.

23           That's not our entire team. Because of some  
24 schedules, some other people couldn't make it. We have  
25 some others from District 6 in King of Prussia and

1 District 1 up in Erie, so they couldn't make it here today.

2 HOUSE MAJORITY CHAIRMAN GEIST: It's probably  
3 snowing.

4 SECRETARY SCHOCH: Don't say that yet, Chairman.  
5 Don't wish that on me just yet.

6 MR. ROMAN: So when we kicked off the Next  
7 Generation Initiative, we started with some initial  
8 projects earlier this year to look at, and those projects  
9 included, as you can see on the slide, bridge inspection,  
10 and underneath bridge inspection we looked at load ratings  
11 and also the APRAS process, which is the process to permit  
12 oversized/overweight loads.

13 We put a team together to look at all the  
14 business functions and processes and policies that go into  
15 the items related to bridge inspection. And one of the  
16 things that our team is doing, we support all the teams  
17 that are looking at our business functions, and we came up  
18 with an 11-step problem-solving process to help kind of  
19 wring out some of the inefficiencies and things that really  
20 don't make sense.

21 So to break that down, I'm not going to go  
22 through all 11 steps, but we're really calling it, the  
23 first four or five steps are a presummit, which is really  
24 just putting a team together, getting the experts, the  
25 people that know bridge inspection, the people that know

1 everything that's about it, and then we start gathering the  
2 data. We start looking at, what are the policies? What  
3 are the processes? How do districts do things? What are  
4 the best practices in those districts? And how could other  
5 districts take those best practices and use them in their  
6 own districts?

7           And then we have a few conference calls, some  
8 WebExes, and interact with each other, share the data, and  
9 at that point we're ready to get together and have a 2- or  
10 3-day summit. And at that summit, that's where everything  
11 comes to light. There isn't a bad idea or there isn't  
12 anything that we can't bring up related to the topic that  
13 we're looking at, and in this case we're going to focus on  
14 bridge inspections.

15           So they get together for 2 days, and they talk  
16 about all the policies, all the things in our  
17 specifications, everything that's related in our design  
18 manuals, and this is really the time to say, okay, we've  
19 been doing it this way for years and for so long and I  
20 never really liked it; I never really understood why we  
21 have to do it this way; if we could just cut out a few  
22 steps or cut out some nonvalue-added reviews, that would  
23 really help us to do a lot more, to really maximize our  
24 organization, to maximize our capacity. So at this summit  
25 is really the opportunity to allow people from across the

1 organization to say, we need to change this and let's get  
2 started looking at it.

3           So all those things rise up at the summit. And  
4 after the 2- or 3-day summit, we really look to have a  
5 listing of dozens of items that we want to look at --  
6 possible solutions, possible issues that are related to  
7 those solutions -- to make, again, bridge inspection and  
8 its related business functions better.

9           And then after that we kind of go on to the  
10 remaining steps of the process of, all right, well, here's  
11 what happened at the summit; here's what makes sense;  
12 here's really something that we can't do, but again,  
13 knowing that every item gets resolved. Nothing just gets  
14 thrown out: Well, we can't do it that way just because....  
15 You know, that mindset of just "you can't bring it up  
16 because this is how we always do it" is something that  
17 we're trying to change through the Next Generation  
18 Initiative. So we're asking people to say, if this has  
19 been bothering you for so long, we need to address it and  
20 resolve it now so we can be more efficient and more  
21 effective.

22           So then after that, then we start implementing  
23 ideas. We start looking at policies related to bridge  
24 inspection. We look at, how can we interact with other  
25 agencies to do bridge inspection?

1           One of the things that I mention when we have our  
2 discussions internally with Next Gen, part of this will  
3 also blur the lines of our districts. You know, as you all  
4 know, we have 11 engineering districts across the State,  
5 and really we kind of just focus on what's going on in our  
6 district. We really don't care too much about other areas  
7 outside of our district because we're focused on what we  
8 need to accomplish. Next Generation is going to start to  
9 erase those lines and blur those lines and just look at us  
10 more of one big PennDOT, not just 11 engineering districts  
11 and a central office. So we're really trying to say if  
12 there's a bridge that needs to be inspected that's on the  
13 border between a few districts and it doesn't make sense  
14 for the home district to go and look at it, well, maybe the  
15 district that's adjacent can go and look at it. Although  
16 it's a very simple initiative, that's something that we  
17 have never really talked about before the Next Gen  
18 Initiative, sharing our resources to make sure that all the  
19 bridges get done, not just the ones in my district.

20           So that's some of the great things that are  
21 happening with Next Gen, is that we're looking at it as the  
22 greater good of PennDOT, not just what's going on in my  
23 district.

24           So then we start to implement these ideas, and  
25 you can see in the "Benefits" column for the bridge



1 inspection, you know, we actually ended up reducing some of  
2 our bridge inspection costs just by looking at inefficient  
3 practices or outdated policies that we've been doing for  
4 years. You know, we look at regionalization of our staff  
5 to make sure that all the bridges get inspected when  
6 they're due, not just, again, the ones in the district that  
7 I have control over.

8           And we also work with other agencies to do bridge  
9 inspection. There are some districts that do bridge  
10 inspections for DCNR, and through an agility agreement,  
11 they transfer services to make sure that their bridges get  
12 done by the capacity of our bridge inspectors.

13           And then like anything else, one of the last  
14 steps is really a reevaluation, looking at, okay, we solved  
15 this little bit now; we closed this gap; we maximized this  
16 opportunity: How do we continue to sharpen the saw? How do  
17 we continue to get better? And there's a reevaluation  
18 process that's going to go on and there are things that are  
19 going to happen over time. You know, everything that we  
20 tell our teams that are involved in Next Gen, we say there  
21 are some short-term gains, there are some midterm gains,  
22 and then there are some long-term gains, things that have  
23 to happen out 2 or 3 years. So we're always looking at  
24 revising our policies: How can we maximize our interagency  
25 inspections to make sure that DCNR and other agencies that

1 have bridges, that they're being inspected properly, so we  
2 can maximize that efficiency.

3 And like I said, we talked about the APRAS  
4 process, which is the overweight/oversized loads. We  
5 actually changed that process a little bit, too, to make it  
6 more efficient and more effective for the motor carrier  
7 industry that's traveling through the Commonwealth.

8 So that all happened with the bridge inspection  
9 pilot, probably in about a 2- or 3-month period of time at  
10 the beginning of this year. So along with the bridge  
11 inspection, we also looked at our right-of-way procedures.  
12 I know we also looked at the highway occupancy permit  
13 procedures. Those were the three initial pilots that we  
14 started with. And as you can see, they all went through  
15 the process of identifying a problem, gathering data,  
16 looking at what are the business functions and what are the  
17 gaps in those functions? What makes sense? What doesn't  
18 make sense?

19 And then our last was a safety culture change.  
20 That's something that we're looking at piloting in two  
21 districts in Allentown and Uniontown, about having a  
22 greater emphasis on safety with the morning toolbox talks  
23 and making sure that everybody is aware of being safe  
24 throughout the entire day, to make sure they get home at  
25 the end of the day.

1           So those were our initial projects. All the  
2 projects, though, will be going through the process. We'll  
3 be having summits. We'll be coming up with ideas and  
4 listing possible solutions, testing them and seeing what  
5 makes sense. So that's a summary of the initial pilots.

6           And just these four pilots alone, we're  
7 estimating a savings of about \$7 million per year just on  
8 changing some policies, changing some procedures, and how  
9 we operate as an organization. So right now, we're around  
10 \$7 million just on these four.

11           HOUSE MAJORITY CHAIRMAN GEIST: Are you ready for  
12 questions?

13           MR. ROMAN: Whenever; sure.

14           SECRETARY SCHOCH: Chairman, if I could add, just  
15 maybe let him just touch on the ones that we're going to do  
16 next to give you an idea of the scope of where we're  
17 headed, and then we can take questions.

18           HOUSE MAJORITY CHAIRMAN GEIST: You'll probably  
19 answer my first question now.

20           MR. ROMAN: So with that said, we had an initial  
21 group of pilots, and now we have about 30 active projects  
22 that are going on currently. And this is just a flavor of  
23 some of the ones that we're looking at, and I'll just run  
24 down. We're looking at winter services, line painting. We  
25 are looking at bridge asset management and also transit

1 consolidation. So we're looking at everything across our  
2 organization.

3 But to also point out, to some of the questions  
4 earlier, we do have a team that's looking at materials and  
5 materials testing, and they're going to look at all those  
6 different super-pave type of mixes that we have to maximize  
7 those and reduce them -- to keep all the different mixes  
8 less. I will say it that way.

9 So we have a current group of projects that could  
10 average between \$25 and \$75 million per year in savings.  
11 Winter is a very large team that is going on right now.  
12 They're looking at all the functions with equipment,  
13 materials, how we route our trucks and how we go through  
14 all the things that are necessary for winter services.

15 So these groups are kicked off. They're probably  
16 in step three or four or five of our process, so they're  
17 just gathering data and beginning to get together. And  
18 again, with just the 30 or so projects that are going on  
19 now, we're estimating about \$25 to \$75 million.

20 And then we also have a backlog of projects, up  
21 to about 200 or so projects that will be coming on next,  
22 and that backlog continues to grow. We continue to look at  
23 all of our functions across the organization. It's not  
24 just the engineering functions. We're looking at things in  
25 safety administration, planning. Every deputate is being

1 scoured to see what doesn't make sense and how can we wring  
2 out efficiencies? So that's the information as an example  
3 of current projects.

4           SECRETARY SCHOCH: I think that is, you know, to  
5 wrap it up, Chairman, you know, we're going to get you a  
6 summary report of all this for you to distribute through  
7 the committees and to leadership, and that summary report  
8 will identify, tighten up that range, the \$25 to  
9 \$75 million. We're actually having PFM come in and do an  
10 outside evaluation of the savings so that you don't have to  
11 believe me or believe our own folks in what we're saving.  
12 We're going to have an independent evaluation of what we  
13 think the savings are going to be. And we will identify  
14 any necessary legislation that we need from you to support  
15 our efforts in this.

16           But I hope what you're seeing here is, we're  
17 trying to instill within our industry -- I am going to go  
18 beyond PennDOT, because it goes to the private companies  
19 that some of you have mentioned today -- that we're trying  
20 to instill a willingness and a desire to continuously  
21 evaluate what we're doing and change. And Rich mentioned,  
22 it doesn't end just because they looked at right-of-way and  
23 said "here's what we want to change." There's a  
24 reevaluation of it, meaning just like every other business  
25 in the world out there, just because we made these

1 decisions today based on technology and materials that  
2 exist today, next year the technology, the materials, will  
3 be different, and we have to be willing to pilot these  
4 ideas that you're suggesting. We have to be willing to  
5 bring industry in and say, what should we be examining that  
6 would apply these new technologies and materials to further  
7 reduce our costs?

8           And really what we're instilling is that culture  
9 of continuous reevaluation through both involving the  
10 private sector and our own -- this Next Generation is going  
11 to become a permanent office of PennDOT reporting to the  
12 Secretary, with permanent staffing and then people rotating  
13 through it, because in that way, it will go on, and it will  
14 go on long after all of us in this room are gone and the  
15 next generation of people that are in here working through  
16 this.

17           And I want to reach out to each of you. Several  
18 of you brought up ideas from your own constituents. We  
19 welcome those, either directly through us or through the  
20 State Transportation Innovation Council. If they're in the  
21 paving business, the paving industry is on that committee,  
22 and we would recommend they go through them. But their  
23 ideas will be examined.

24           If you have ideas yourselves, let us know. This  
25 is a collaborative effort with all of our partners, and you

1 certainly are an important partner to that here in the  
2 committee.

3 So we appreciate the opportunity to come in and  
4 present what we've been doing and open it up at this point  
5 to any questions you have.

6 HOUSE MAJORITY CHAIRMAN GEIST: Thank you very  
7 much.

8 I have one. I guess I started in this business  
9 when it was the Department of Highways and been preaching  
10 blending the modalities since I got here, and I noticed  
11 nowhere in your remarks today does it mention rail or  
12 aviation. Are you going to address those, or is this  
13 strictly going to be a highway function?

14 SECRETARY SCHOCH: No, it's not a highway  
15 function; it's all modes. He mentioned all deputates are  
16 under this, and we picked a sampling of the projects. What  
17 we did is solicit each bureau and each district and got our  
18 District Executives and said, give us the list of ideas and  
19 prioritize them. And as Rich said, there are 300 ideas  
20 that we want to look at. All we did was prioritize them on  
21 the basis of what we thought would have the biggest effect  
22 on cost and based on what the group themselves felt were  
23 the priorities. But it is across all modes, all deputates.

24 HOUSE MAJORITY CHAIRMAN GEIST: Chairman  
25 Rafferty.

1 SENATE MAJORITY CHAIRMAN RAFFERTY: Thank you.

2 Secretary, the Innovation Council, are there any  
3 Legislators on it?

4 SECRETARY SCHOCH: We invite basically your  
5 designees. I think Greg has been at these meetings. Nate  
6 is invited. So we invite your Committee Members to attend  
7 those.

8 SENATE MAJORITY CHAIRMAN RAFFERTY: But we would  
9 be officially ex-officio members of the committee's---

10 SECRETARY SCHOCH: Of the Innovation Council?  
11 Yeah, I guess. But if you'd like to be, we would certainly  
12 welcome if you'd like to be on it.

13 SENATE MAJORITY CHAIRMAN RAFFERTY: Well, I think  
14 it's important that the Directors, the EDs---

15 SECRETARY SCHOCH: Yeah.

16 SENATE MAJORITY CHAIRMAN RAFFERTY: ---and the  
17 committee Chairs know that and maybe have some input there,  
18 because one thing I have complimented you on from one end  
19 of the State to the other is your communication abilities,  
20 and I want to make sure that we continue to have that as we  
21 go forward, to have those open lines of communication  
22 between the Legislature and the Executive, especially with  
23 the Department of Transportation, and be able to continue  
24 to move quickly on the legislation that we need.

25 Thanks.



1 SECRETARY SCHOCH: Sure. Thank you.

2 SENATE MAJORITY CHAIRMAN RAFFERTY: Thanks,  
3 Barry.

4 SECRETARY SCHOCH: Will do.

5 HOUSE MINORITY CHAIRMAN MCGEEHAN: Thank you very  
6 much. I want to thank and commend Chairman Rafferty and  
7 Chairman Geist for bringing us together again. This is a  
8 unique setting, and it's appreciated by, I know, the  
9 Members.

10 And with the indulgence of both Chairmen, I'd  
11 like to go off script, if I may, and off topic to address a  
12 more, I think, urgent and immediate concern. We're 36 days  
13 out from a general election, and the controversy swirling  
14 around voter ID is continuing in the courts and in the  
15 court of public opinion.

16 I represent a district that has a  
17 disproportionate number of elderly and poor, and as you  
18 know, Mr. Secretary, many of those individuals, as we have  
19 read about, of course, ad nauseam since the law was passed,  
20 don't have access to a photo ID. Bring us up to date with  
21 the knowledge that we're 36 days out of a general election  
22 -- where we are, where your efforts are in addressing how  
23 many voter IDs have been issued to that point, and what you  
24 intend to do from now until Election Day?

25 SECRETARY SCHOCH: Well, we -- thank you,

1 Chairman. And on the voter ID issue, we have been  
2 striving, along with our partners, the Department of State,  
3 since day 1 to both implement the law that was passed and  
4 then reevaluate how we're doing in terms of implementation.  
5 We've issued about 10,000, a little over 10,000 of the IDs,  
6 and that's maybe a week or two old, so maybe a newer number  
7 as of today.

8           And I would say beyond our current practices and  
9 things we did, initially the idea was if you came in, you  
10 needed a birth certificate to get it. So what we did is  
11 work with the Department of Health to say we do not want to  
12 be bureaucratic and just have people come in and say, have  
13 our staff saying you need a birth certificate; come back  
14 when you get it. We wanted to set up an opportunity for  
15 them to get it right there, saying we can help you to get  
16 it, link in to their Website, pay for that birth  
17 certificate, and get the ID.

18           So we tried to, you know, brainstorm what issues  
19 are going to come up and how do we solve those initially?  
20 Since then, in your area, in the Philadelphia area in  
21 particular, we've seen the highest number of demand. So  
22 we've increased our hours of those facilities and increased  
23 the staff capability to meet the voter ID.

24           We've also done a high number of outreach to  
25 senior citizen homes and other places that have asked us to

1 do it. We've also had a number of people come to us and  
2 say, we are going to bring 35 people in a special group to  
3 you to get voter IDs. Most of those have not materialized.  
4 We don't know why. We don't know whether they haven't  
5 found 35 people that needed the ID that couldn't get them  
6 or something fell apart. But we are willing to meet with  
7 groups and go to them. We are willing to entertain groups  
8 at our facilities. We've extended hours.

9 We also have, of course, the new Department of  
10 State ID, which requires less -- just the voting ID --  
11 which requires less than the birth certificate. And again,  
12 in total, we've seen about 10,000, which is, you know, less  
13 than 1 percent of our total transactions that we do at  
14 these license centers. Over 80 percent of our customers  
15 are serviced in less than 30 minutes.

16 So I would say we've all read the stories, but  
17 like everything about you, about us, that we read in the  
18 papers, you're reading the extreme, not the norm. Eighty  
19 percent of the transactions, on all of our transactions,  
20 over 80 percent are done in 30 minutes or less, including  
21 voter ID.

22 Are there cases where customers come to us,  
23 whether it's for a driver's license or a voter ID, that  
24 don't have the necessary documentation or need additional  
25 help to get that? Absolutely. But we're working with

1 them, and we intend to continue to listen to our customers  
2 and listen to the issues and continue to revise and change  
3 our practices to make sure we're helping everyone to comply  
4 with that law.

5 HOUSE MAJORITY CHAIRMAN GEIST: Chairman Harper.

6 REPRESENTATIVE HARPER: Thank you, Mr. Chairman.

7 I want to back you up. We're not seeing any  
8 problems in my district on voter ID, and I've been out  
9 there for 6 months asking people, do they need help? But  
10 that wasn't my question.

11 About today's hearing, I wanted to ask, and I'm  
12 not sure, I have two questions. The first is, if you're  
13 flexible, this would work, but if you centralize, for  
14 example, bridge inspections at PennDOT and you send a  
15 bridge inspector out who is used to, I don't know,  
16 reviewing bridges on I-95 to do a bridge in a State park,  
17 we're going to have problems. How do you guard against  
18 that sort of a centralizing it all-at-the-top requirement?

19 SECRETARY SCHOCH: Well, we're not really  
20 centralizing it. What we're doing is saying, as Rich said,  
21 you know, these district boundaries are artificial, I'll  
22 say. They were set some day in time, and they make sense  
23 for dividing up our resources geographically. We're saying  
24 regionalization, not centralization, all right?

25 REPRESENTATIVE HARPER: Okay.

1           SECRETARY SCHOCH: Regionalization means that if  
2 there are four bridges right in the district boundary  
3 between District 2 and District 3 and District 2 has a team  
4 out in that route vicinity, in the past, as Rich said, they  
5 would have gone home. They wouldn't have crossed over that  
6 county line to those other maybe 10 bridges that are 1 mile  
7 over the county line.

8           Economically, it makes more sense for the people  
9 from District 2 to take care of those bridges than to have  
10 somebody from District 3 travel all the way to the far  
11 extreme of that county. That's all we're doing. It's  
12 regionalization.

13           REPRESENTATIVE HARPER: Well, I'm less worried  
14 about the cross of the regions and more worried about the  
15 different types. If you're helping DCNR out, is there a  
16 difference between a bridge inspection in a State park  
17 which doesn't carry that many cars?

18           SECRETARY SCHOCH: No. You're looking at  
19 condition. You're looking at material integrity.

20           REPRESENTATIVE HARPER: Okay.

21           SECRETARY SCHOCH: You're looking at visual signs  
22 of disrepair. Bridge inspection is bridge inspection.

23           REPRESENTATIVE HARPER: Wherever it is.

24           SECRETARY SCHOCH: It doesn't matter whether it's  
25 a municipally-owned bridge. It doesn't matter if it's a

1 Turnpike bridge, a DCNR bridge, or one of our bridges, it's  
2 bridge inspection.

3 And now I'm speaking on dangerous grounds,  
4 because my Director of Project Delivery is sitting behind  
5 me, Brian Thompson, who is one of the best bridge engineers  
6 in the State, and he knows I am not a bridge engineer. So  
7 Brian, did I say anything wrong there?

8 REPRESENTATIVE HARPER: So far so good. Okay;  
9 great.

10 SECRETARY SCHOCH: But really, bridge inspection  
11 is bridge inspection.

12 REPRESENTATIVE HARPER: So you wouldn't have that  
13 issue of---

14 SECRETARY SCHOCH: No. You know, these  
15 inspectors---

16 REPRESENTATIVE HARPER: ---a bridge going through  
17 a State park being judged as if it were on I-95?

18 SECRETARY SCHOCH: No. They're judged on the  
19 basis of its condition, and then they come back on the  
20 basis of that and do a rating and evaluate whether or not  
21 it's capable of carrying the load it's design to or whether  
22 it should be posted, and it doesn't matter whether it's on  
23 I-95 or a township road or a DCNR road.

24 And Brian and I early in our careers used to do  
25 bridge inspection, and we did them for all types and sizes

1 of bridges. It's the same basic procedure for each type of  
2 bridge.

3 REPRESENTATIVE HARPER: All right. So it makes  
4 sense to cooperate to get that done.

5 My second question, though, is, I noticed, and  
6 I'm not sure which part of your testimony, maybe Mapping  
7 the Future, I'd like to see more cooperation between DEP  
8 and PennDOT, you know? I just think that it would benefit  
9 not just the agencies, the State, and anybody who is doing  
10 a bridge, but also the public would benefit if there was  
11 more cooperation between DEP and PennDOT.

12 SECRETARY SCHOCH: Secretary Krancer and I are  
13 working on that. And I'll tell you what we've done; there  
14 are two things we're doing at a high level. One is,  
15 anytime our staffs have -- and by the way, we pay for  
16 positions at DEP so that we get accelerated reviews and  
17 dedicated service to it to make sure our projects, you  
18 know, are not competing with private-sector projects.

19 REPRESENTATIVE HARPER: Right.

20 SECRETARY SCHOCH: And what we've talked about,  
21 Mike and I have talked about, is we want to make sure that  
22 our staffs know that if there is any type of issue, it  
23 should be elevated right away to one of our Deputy  
24 Secretaries. And then Kelly Heffner from his staff and  
25 Scott Christie from our staff get together on a monthly

1 basis to go over those issues and iron them out and then  
2 communicate back to our staffs to make sure that we are  
3 doing a better job of working together. That's between  
4 PennDOT and DEP.

5 REPRESENTATIVE HARPER: On PennDOT issues. But I  
6 think the public would benefit if PennDOT and DEP worked a  
7 little tighter together, too.

8 SECRETARY SCHOCH: Well, I don't disagree with  
9 you, but one of the things we're piloting on behalf of  
10 perhaps the public down the road is between the Turnpike  
11 and DEP.

12 We had a similar issue where Turnpike permits  
13 were taking a long time because they were competing with  
14 the private sector, and rather than simply staffing  
15 positions at DEP, we're piloting the use of outside  
16 consultants, where the Turnpike will pay for outside  
17 consultants to do the review on behalf of DEP. DEP still  
18 does the final review, but they'll be using outside staff  
19 to expedite the review time.

20 We're piloting it because it's between two State  
21 agencies. If it's effective in reducing the cost and time  
22 of delivering permits, it could be offered to the public,  
23 and then the public would have a choice of, do you want to  
24 pay a little bit more but now you're getting your service  
25 in a more timely fashion, which is -- you know, the bottom



1 line for the private sector, it's all about time and cost.

2 REPRESENTATIVE HARPER: Time is money.

3 SECRETARY SCHOCH: Time and money.

4 REPRESENTATIVE HARPER: Absolutely.

5 SECRETARY SCHOCH: So we're piloting that with  
6 two State agencies in hopes that we see success, and then  
7 that will reduce and provide, or I want to say provide  
8 another option for the public. So I agree.

9 REPRESENTATIVE HARPER: Thank you. I actually  
10 think the initiative is a great idea. Just those are two  
11 areas I was concerned about. Thanks.

12 HOUSE MAJORITY CHAIRMAN GEIST: Representative  
13 Carroll.

14 REPRESENTATIVE CARROLL: Thank you, Mr. Chairman.

15 Mr. Secretary, I do appreciate the substantive,  
16 positive steps the department has taken in the past 2 years  
17 relative to the issuance of highway occupancy permits, but  
18 I would urge you as a department and with the new team to  
19 focus like a laser on the HOP process.

20 There have been, as I said, substantive, positive  
21 steps taken that have resulted in fewer complaints to me  
22 personally relative to the slow issuance of HOPs, but I do  
23 think it's one of the highest priority functions that the  
24 department has with respect to development, economic  
25 development, job creation, and so forth. And to the extent

1 the department can streamline and get through the HOP  
2 process in a timely fashion, I think we would all be the  
3 beneficiaries of that.

4 SECRETARY SCHOCH: I agree, Representative. It's  
5 one of the early areas of focus that we had. The Governor  
6 actually -- and I talked about it as early as my interview  
7 about it being exactly as you said, an issue. We went from  
8 a paper process that averaged 63 days to an electronic  
9 process that now averages 15 days.

10 But we're not done with that. We keep looking at  
11 the electronic part of it to see how we can, besides  
12 providing a daylighting of the tracking and who's reviewing  
13 it and when they're going to take action, issuing the  
14 permits electronically, doing all the invoicing  
15 electronically. So it continues to evolve.

16 But the fact that we have gotten down under  
17 30 days on average -- we're down to 15 -- we're now a  
18 shorter timeframe than most municipalities. The  
19 municipality review is 30 days. So in terms of a critical  
20 path of getting a project done, you know, my objective was  
21 to get out of the critical path, so that from a developer's  
22 standpoint, they didn't have to call you or call me and say  
23 "you're the reason I can't get to construction."

24 And we've gotten down to 15 days, but we're going  
25 to continue to work at those. As Rich said, these things

1 don't end just because the team came up with a new process.  
2 It has to continue to be evaluated.

3           So I appreciate your comments, and believe me,  
4 it's a focus. We realize that that's an economic issue.

5           HOUSE MAJORITY CHAIRMAN GEIST: Thank you.

6           One last question is going to be from Senator  
7 Randy. But I just wanted to say that Thompson is a great  
8 bridge engineer, but his brother, Mark, taught him  
9 everything he knows.

10           SECRETARY SCHOCH: Uh-oh. He's nodding his  
11 head. His brother is probably watching this or might have  
12 a chance to watch this on TV, so he can't possibly deny it.

13           SENATOR VULAKOVICH: Thank you, Mr. Chairman.

14           And thank you, Mr. Secretary. You know, it seems  
15 like you're really digging into all this stuff, and just a  
16 couple of things, because I know everybody wants to get out  
17 of here.

18           Number one, I hear from my township managers all  
19 the time how they want some roadwork done on a State road,  
20 so they have to pay someone to come out and do the design  
21 of the road and everything else, and then PennDOT comes out  
22 and I guess they look at it, but they do their own design  
23 work on it, and then somehow I guess everybody gets  
24 together on this thing. Is there just a way -- it just  
25 seems like money wasted. Is there a way that there could

1 be some coordination between like a township -- and it  
2 could go county, too -- a township and the State, where the  
3 State has the people who can do this design of an  
4 intersection, for example, and then the township would  
5 participate maybe in paying part of that, rather than going  
6 all over the place, having everybody looking at everything.  
7 And then if nothing gets done with that design, no money or  
8 anything, a couple years later they say, well, we've got to  
9 do a new design of what you want because things might have  
10 changed, and I don't know what those changes are that might  
11 change so drastically with an intersection.

12 Did I explain that?

13 SECRETARY SCHOCH: Yeah, you're absolutely --  
14 I'll tell you what, one of the things we have going on  
15 right now is the local project delivery task force, and the  
16 issue from, again, my past experience being a consultant to  
17 local government and to the department, in my prior firm we  
18 actually stopped doing local bridges because it was just  
19 too difficult to get paid, and also the competition, there  
20 was always some local firm that would get hired and we'd  
21 come in second every time. So we said, okay, we're not  
22 going to do that anymore. And, you know, looking at this,  
23 we thought about, coming into it we had a team together,  
24 and Brian was a big part of this as well, saying let's look  
25 at bridges and intersections as two examples, because

1 there's the overlap. That's the biggest area of overlap.

2           On the bridge side, we have both a new manual  
3 that's going to come out that really streamlines local  
4 project delivery. And then in addition, we're piloting the  
5 idea of a couple of things; one, on bridges. We're going  
6 in, and we have right now a team that's working on a  
7 statewide basis to say, if we went in and looked at all  
8 bridges in an area, be it county -- no matter who owns  
9 them, county, local, or us -- and said if they're all  
10 similar, how can we standardize both the design and  
11 construction upfront and reduce the cost of design?

12 Instead of having five teams studying the same 40-foot  
13 bridge, upfront we'll look at it and say, here are five  
14 40-foot bridges that are the same in this region; here's  
15 the design up to this point.

16           Now, after the bridge, you have to certainly  
17 design the roadway approaches to it, but we can standardize  
18 that part, both reducing design costs and we can  
19 standardize production of certain elements of it, which  
20 reduces construction costs and the time to construct it.  
21 So we're piloting a program where we would do what we call  
22 program management and bundling of bridges.

23           We're also on intersections -- you brought up  
24 intersections -- looking at signals and going through the  
25 same type analysis of saying, you know, we have the

1 expertise here; let's go through and look at the signals in  
2 a corridor and prioritize what needs to be done from the  
3 highest priority in each district and saying, what should  
4 be done; what is the scope of work, and not ask a  
5 municipality who may or may not have the capacity to do it  
6 to come in and look at the design. So we'll do it upfront  
7 and say, here's what needs to be done, and then we'll  
8 manage it. And as you say, we won't ask, you know, five  
9 different localities to get involved; we'll simply say,  
10 let's get either our staff or our consultant's staff  
11 involved to do it. And as you say, then we'll work out the  
12 cost share of who should pay for what.

13 But in the end, I've said it many times over, you  
14 mentioned DEP, Representative? We're all State Government,  
15 and to the public, if we're adding to their costs in any  
16 way, shape, or fashion, they don't care if it's local  
17 government, PennDOT, or DEP, all they know is that the  
18 State is adding to their costs. And through bundling of  
19 projects and through this kind of project management, I  
20 think we can reduce costs at all levels of government and  
21 in the end provide a better service to the taxpayer and  
22 blur these lines of agencies and government.

23 SENATOR VULAKOVICH: So in other words, you are  
24 working towards that goal----

25 SECRETARY SCHOCH: Absolutely.

1                   SENATOR VULAKOVICH: ---where everybody is not  
2 doing these studies all the time.

3                   SECRETARY SCHOCH: Yep.

4                   SENATOR VULAKOVICH: The other thing is  
5 stormwater diversion. Lately what we've heard whenever we  
6 talk about stormwater is that all the responsibility that  
7 PennDOT has revolves around getting water off the road,  
8 because we'll talk about, well, this water is all coming  
9 off the road and it's going down here. Our only objective  
10 is to get the water off the road; it's up to the local  
11 governments to control the rest. I see that to a point,  
12 but I think a little more consideration has to be put into  
13 that than simply a statement like that, and I've heard it  
14 numerous times.

15                   For example, there are certain times when they do  
16 a road that they look at a storm sewer grate and say, well,  
17 we can take that one out; we really don't need it here.  
18 You know, when I talk about all politics being local,  
19 nobody knows your local roads and local creeks like your  
20 local people, and I know that a lot of times they'll come  
21 in and they'll survey and they'll be doing it on the road  
22 and someone will say, well, what's the State doing out here  
23 surveying this road? I wonder what they've got in their  
24 mind? Is it policy for PennDOT to come in and say, in a  
25 few months we're coming in; we're going to look at this

1 road; we're going to do some work on it -- some maintenance  
2 on the road, some repair, and some corrective action? Is  
3 it policy, and if it's policy, is it enforced? Because I  
4 don't know that it is, where they come in to the local  
5 government and say, we're going to come and do this  
6 section, for example, on Route 8. What are the problems  
7 that you know are on that road so that when we come in we  
8 can take care of it?

9 I had one that would flood all the time during a  
10 downpour. PennDOT would have to come out and bring a  
11 trailer out with one of those electronic signs on it with  
12 an arrow to show you the other lane, because you would go  
13 through almost 6 to 7 inches of water. You had to wait for  
14 it to subside. There are places where the road has another  
15 layer of grade maybe put on it and all of a sudden now all  
16 this water is running into someone's yard or running onto  
17 someone's property. If those were pointed out ahead of  
18 time by the local people to say, here's the issue we have  
19 here, there may be something that could be done with it.

20 A perfect example: An intersection at Mount  
21 Royal and Vilsack Road, for years, as a policeman, I knew  
22 that when you came to there, in certain types of weather  
23 you would slide right through there because of a water  
24 grade that would come across there. After surveying the  
25 road, I mentioned something to them. They came back; they



1 paved the road. I stood at my spot and I said, that's not  
2 going to work; there's too much of a hump there that water  
3 is just going to go over it. It did exactly that. We  
4 called them out; they had to dig up the whole intersection  
5 again and repave it.

6           Locals know a lot about what goes on in their  
7 area and what you shouldn't change, leave well enough  
8 alone, or something that needs to be a corrective action,  
9 and I just think if there's a little more input prior to  
10 these plans where they come in and say, we'll give you a  
11 couple of months; this is your time to tell us what your  
12 local problems are and what you see. I would think that  
13 should be policy, and if it is, I don't believe it's  
14 followed all the time, probably sometimes, but I know in  
15 cases where it's not. And I just believe communication at  
16 the local level between, you know, PennDOT and everything  
17 could ease a lot of these problems.

18           So I just would ask you to keep those couple  
19 things in mind. And I have to ask, Kathy Watson,  
20 Representative, wanted me to ask something and I don't  
21 understand it, so. But I think it's a good point she has.  
22 Could you give her a little liberty here to ask a question?

23           HOUSE MAJORITY CHAIRMAN GEIST: Senator, after  
24 your filibuster, anything.

25           Kathy.

1           REPRESENTATIVE WATSON: Thank you, Chairman  
2 Geist.

3           And yes, I talk really fast, so good morning,  
4 Mr. Secretary.

5           First of all, apologies. I was late, so I'm not  
6 sure if you covered this.

7           I was late; I was on the turnpike coming from  
8 Valley Forge, well, beyond Valley Forge, and it was really  
9 backed up this morning -- regardless of the price. It was  
10 20 miles an hour, so it was an interesting experience. But  
11 it is getting worse, just because so many people do use it.

12           I was very interested when I heard you speaking  
13 and you were talking about bridges and streams. I thought  
14 you were bundling bridge projects together.

15           SECRETARY SCHOCH: Yes.

16           REPRESENTATIVE WATSON: And I have talked at  
17 length about this over the last 2 years, so I'm going to  
18 ask the question that I always ask: Does that mean that  
19 other agencies will not hold sway to stop this, and how  
20 would you control that?

21           I come from Bucks County. We are very happy; we  
22 have 12 covered bridges that we prize, that we look after.  
23 We do what we can. We have lots more in the way of what I  
24 called originally little farmers' bridges across the  
25 county. That is, they were put up in the 1800s. I can't

1 tell by looking; maybe they have a little stone wall on  
2 either side. But I truly believe, though I was not alive  
3 at the time, that when they were put up -- I'm thinking of  
4 one in my district in the 1890s -- farmers were not going,  
5 wow, this is a wonderful piece of history; I hope the folks  
6 save it. The bridge is now closed because it hasn't been  
7 done. It started to, quote, "be replaced," and it has been  
8 back and forth -- county, PennDOT. But all these other  
9 agencies are going, it has historic significance; we want  
10 this study or that. The county may not have the money, so  
11 it takes us even longer to get the money to fix the  
12 bridges, and the process just slowed it down. Now we're at  
13 the point, we have the process but we also have no money.  
14 If you're talking of bundling, how would we solve that  
15 problem?

16           SECRETARY SCHOCH: Well, the bundling,  
17 unfortunately, would not apply to projects that have  
18 significant environmental issues, and what you're talking  
19 about is a significant historical issue. And frankly, it's  
20 not the Museum Commission as much as, and bear with me,  
21 Representative, it's constituents in your area who are  
22 hanging onto those bridges and saying, these are important  
23 to our history and we do not want them, and there's a  
24 process by which they can take us through an extended  
25 period of evaluating every way of saving that bridge.

1           And, you know, we will comply with all the  
2 applicable laws, and we can do so quickly. However, if the  
3 constituents involved -- and this is significant down in  
4 your area and the exact type bridge you're talking about --  
5 if the constituents want to hang on to those bridges and  
6 fight us, they can fight us, and that stretches the time  
7 period out.

8           When we're bundling, there's no point in us  
9 taking one of those stone-arch bridges and saying, we can  
10 make that a 40-foot prestressed concrete bridge; let's  
11 bundle it with five other ones, because we know that one  
12 would hold up the entire package. What we're looking for  
13 are bridges that don't have environmental issues, bridges  
14 that we can design and develop on the same timeframe and  
15 don't have uncertainties with them. That does reduce  
16 costs. For these specific things, and in your district I'm  
17 very familiar with them because both sides call me, both  
18 those who want it done faster and those who don't want us  
19 to do it at all.

20           One of the things that we have talked about is  
21 moving up in the planning process a dialogue about what  
22 we're going to do on these bridges, which ones, if we're  
23 going to retain ones, which ones could be retained for the  
24 historical nature and which ones need to go away, before we  
25 get into the individual design and development. And I

1 think that can reduce, at least get all parties to agree,  
2 okay, these two are unique and these two are going to be  
3 saved for these reasons; these other ones, we're going to  
4 move forward quickly. And we need to come to that  
5 agreement before we start the individual, excruciating  
6 process of doing the same thing eight times.

7 HOUSE MAJORITY CHAIRMAN GEIST: Thank you.

8 I want to thank everybody for coming this  
9 morning. It has really been enlightening. I'm looking  
10 forward to seeing the piece of legislation that you bring  
11 forward. And I'm sure when the bridge legislation comes,  
12 you're finally going to solve the PUC-disputed bridges.

13 Thank you all very much.

14 SECRETARY SCHOCH: Thank you for having us. I  
15 appreciate it, Chairman.

16  
17 (The hearing concluded at 11:08 a.m.)

1                   I hereby certify that the foregoing proceedings  
2 are a true and accurate transcription produced from audio  
3 on the said proceedings and that this is a correct  
4 transcript of the same.

5

6

7

Debra B. Miller

8

Committee Hearing Coordinator/

9

Legislative Reporter

10

Notary Public

11

12

Tamara S. Neidlinger

13

Transcriptionist