

Appropriations Statement

Chairman Saylor, Chairman Markosek, members of the Appropriations Committee, thank you for the opportunity to meet with you to review where we stand managing transportation for the Commonwealth of Pennsylvania.

We take very seriously our responsibility to deliver the best in transportation services to your constituents and our customers. With the resources you have provided us, we are making headway on the massive needs of maintaining and improving the network of roughly 40,000 miles of roads and roughly 25,000 bridges, 34 fixed route transit systems, 130 public use airports, 259 private use airports, 277 private-use heliports, three ports and the privately-owned network of more than 5,600 miles of freight railroad lines.

Accomplishments Since Act 89

Since the far-reaching Act 89 transportation funding plan was enacted in 2013, PennDOT has completed 2,448 construction projects, worth \$5.4 billion and has an additional 688 projects worth \$5.5 billion underway. This means that about a third of the projects accelerated or made possible by Act 89 are done or underway, and more than half of them are on our Four or Twelve Year Plans.

In partnership with the private sector, PennDOT delivers high quality construction work while meeting schedule requirements and keeping cost changes to a minimum. Act 89 funding is making a marked improvement in our network. We have distributed to the members today district-by-district fact sheets laying out this progress.

Last year, PennDOT improved the equivalent of 6,697 miles of two-lane road, resurfaced more than 2,100 roadway miles and fixed nearly 500 structurally deficient bridges. Since 2014, we have improved 24,600 miles of pavement. The number of structurally deficient bridges continues to drop, to 3,114 as of January 1, from a high of 6,034 in 2008. We made this dramatic headway even as our bridge network continues to see 200 to 250 bridges a year fall into the structurally deficient (SD) category. PennDOT's Public Private Partnership Rapid Bridge Replacement program that is rebuilding 558 structurally deficient bridges is playing a big role in the success driving down the SD number. Our industry partner, Plenary Walsh Keystone Partners, has roughly 390 bridges open to traffic, and PennDOT's goal is to wrap up the remaining bridges this year.

This project has meant business for at least 46 Pennsylvania contractors. Many of these bridges were in rural areas and without this innovative Rapid Bridge Replacement program, the likelihood that they could have been addressed this quickly was remote. It normally would have taken up to 12 years to replace this many bridges. And by doing this project, we are ensuring that this large inventory of rural bridges remains open without restrictions – either postings or outright closings. Loss of these bridges would have been devastating to these rural areas as it

would have meant in many cases long detours and serious disruption for emergency vehicles, school buses and commerce. Further, this overall progress helps ensure the competitiveness of the dairy industry, which utilizes over 8,000 miles of primary network roadways and thousands of miles more of secondary and local roadways for the movement of raw and processed dairy product.

As the Governor announced as part of his proposed budget, we are launching a multi-year, \$300 million program to address pavement conditions on our low-volume rural roads as well as municipally-owned structurally deficient bridges. We estimate this will allow the improvement of more than 900 miles of roads and 85 to 100 bridges. This includes a \$200 million, five-year program to restore and repair rural commercial routes supplemented by an additional \$50 million from cost-sharing partnership agreements with industries that run heavy vehicles on these rural roads.

In addition, we are undertaking a one-year, \$50 million program to improve an estimated 260 miles of lower volume traffic roads on the state-maintained system.

This initiative also includes a \$50 million, five-year program to assist municipalities with their bridges. This will not require any local match and will expand municipal bridge improvement programs already in place in our 11 districts. With nearly 31 percent of the 3,819 municipal bridges structurally deficient, we want to aggressively address this municipal issue as we have with the Act 89-authorized \$5 registration fee for county-owned bridges. We are aggressively partnering with counties on that program by making additional federal funds available to match their funds. To date, 21 counties have taken the lead with the fee, which along with the federal funds, has resulted in a \$80 million county/PennDOT partnership. Counties own 2,651 bridges of which 29 percent are structurally deficient. Of the 21 counties, eight have taken the needed steps to qualify for the additional \$2 million each to help with their bridges.

While we at the state-level have dramatically improved the condition of our bridges over the last 10 years, county-owned and municipally-owned bridges continue to deteriorate. The county fee program and the new, expanded municipal program will now help address these bridges.

I would note that we are reviewing details on the approach Washington plans to assist us and all states as we manage our networks. Obviously, we in Pennsylvania have taken strong steps to address long-standing transportation needs and we believe the federal plan should recognize that. We would welcome a federal recommitment to robust federal funding, and we hope that any eventual infrastructure proposal adopted by Washington will ensure the long-term solvency of the federal Highway Trust Fund, while also recognizing the increased level of state funding in Pennsylvania since the passage of Act 89. We need a robust involvement of the federal government in supporting infrastructure investment if we are to continue to make progress against the tremendous outstanding highway and bridges needs across Pennsylvania.

Awards

We have won national recognition for our work.

For example, the Wolf administration's initiative to provide motorists with information during long-term road closures, 511PAConnect, earned several regional and international transportation awards.

Coordinated among us at PennDOT, the Pennsylvania Emergency Management Agency, Pennsylvania State Police, and the Pennsylvania Turnpike Commission, the service earned five awards:

- 2017 Toll Excellence Award for Technology from the International Bridge, Tunnel and Turnpike Association;
- 2017 Project of the Year from the Intelligent Transportation Society of Pennsylvania;
- 2017 Transportation Achievement Award for Operations from the Institute for Transportation Engineers;
- Outstanding ITS Project for 2017 from the Intelligent Transportation Society of New Jersey; and
- 2017 Project of the Year from the Mid-Atlantic Section of the Institute of Transportation Engineers.

Through 511PAConnect, personnel from PennDOT and the Turnpike identify a potential long-term closure and notify staff at the 24-hour Commonwealth Watch and Warning Center at the Pennsylvania Emergency Management Agency, which issues an initial location-based alert to motorists in the closure. Law enforcement also uses the alerting system to issue Amber Alerts for missing children.

Motorists who receive the alert have the option of registering for automatic text messages or phone call updates. Follow-up notifications are generated by Turnpike and PennDOT staff monitoring the closure. Once the incident is resolved, motorists who registered for the alerts are automatically unsubscribed and all personal data is scrubbed from the system.

In addition, we received two awards – the American Association of State Highway and Transportation Officials' (AASHTO) President's Transportation Award for Performance Excellence, and an Urban and Regional Information Systems Association (URISA) Exemplary Systems in Government (ESIG) Award.

The AASHTO award was presented for the work of PennDOT's Highly Automated Vehicle (HAV) Senior Leadership Team. They were cited for having performed exemplary service furthering PennDOT's transportation activities, which have, or potentially could have, a valuable impact on transportation nationwide or on a regional basis.

The team's achievements and efforts include leadership on the state Autonomous Vehicle Policy Task Force, collaboration on proposed automated vehicle policy and legislation, and continued public and stakeholder engagement through demonstrations and events.

URISA awarded PennDOT with a distinguished enterprise system award for its "Maintenance-IQ" system. The award cites Maintenance-IQ as an outstanding and working example of using information systems technology in a multi-department environment as part of an integrated process.

Maintenance-IQ compiles information from different systems including maintenance, inventory, condition, traffic, safety, planned projects and environmental data into a centralized GIS repository. The internal application provides an easy-to-use interface through which staff strategically schedule and plan activities, increasing efficiency and reducing costs.

We also won the 2017 American Cultural Resource Association industry award in the public sector for our public outreach efforts regarding archaeological discoveries made during the Interstate 95 corridor reconstruction in Philadelphia.

We were cited for our DiggingI95.com website, which was dedicated to educating the public on the artifacts found at the I-95 Girard Avenue Interchange (GIR) construction sites, as well as several cultural exhibits showcasing the artifacts. I-95 GIR is one of five major projects that are part of a long-term initiative to rebuild and improve the interstate in Pennsylvania.

To date, 10 prehistoric sites and more than a million artifacts have been identified by AECOM, an engineering firm overseeing the I-95 project on PennDOT's behalf. The firm is now in the process of analyzing the items ranging from the late 18th century through the early 20th century, including drinking glasses, figurines and various building foundations.

After being analyzed and catalogued, some of the artifacts may be sent to The State Museum of Pennsylvania, but the plan is for a significant portion of them to stay in Philadelphia so they will be available for view to residents.

Moreover, our CNG P-3 fueling station project was just named an innovation award winner by the Engineers Society of Western Pennsylvania. Through this \$84.5 million program, Trillium CNG is designing, building, financing and will operate and maintain compressed natural gas fueling stations at 29 public transit agency sites through a 20-year agreement. The program will allow transit agencies to switch to cheaper clean-burning CNG, taking advantage of this fuel source being produced here in Pennsylvania. Eight fueling stations are completed of which two are public fueling locations -- in Johnstown and York. In 2018, seven more stations will be completed with two open to the public in New Castle and Indiana.

PennDOT and the Department of Environmental Protection (DEP) were honored with Keep America Beautiful (KAB) 2018 State Agency Partner Awards for their partnership on the Great American Cleanup of Pennsylvania in 2017. The statewide campaign organized over 132,000 volunteers who participated in over 7,200 local cleanup events in every county of the Commonwealth.

Strategic Directives Across the Modes

Under the leadership of the Governor and I, we are building sustainable, policy-based investments. In addition to the previously outlined highway and bridge progress, we have made significant investments in our transit systems, aviation, rail, ports and bike/pedestrian infrastructure.

Some of our milestones:

--First-ever Transportation Investment Strategy developed in 2016 to guide funding decisions initiated for 2017 and 2019 Twelve Year Programs.

--First-ever Transportation Asset Management Plan is being developed to further guide investment decisions and funding allocation for reconstruction of our major roads and bridges over the next decade

--Road MaP (Maintenance and Preservation) program started in 2017 in response to District Business Plans/Presentations identifying the need for additional county maintenance funding, which had not been adjusted since 2006. Road MaP also calls for allocating more funding toward the interstate system and overall road and bridge improvements. This program allocates \$2.1 billion over ten years, with \$1 billion, starting in FY 18/19, to the counties and districts as well as another \$1.1 billion for interstate and major road reconstruction and rehabilitation. In addition, a RAP (recycled asphalt) Program was strengthened and focused on low volume rural roads where PennDOT has significant issues.

--We developed the Route 6 Bicycle Master Plan and began implementation by adding shoulder bike lanes to pavement improvement projects in the corridor.

--We are updating our design manual to incorporate bicycle facility design, traffic calming, and the PennDOT Connects initiative, the department's project design and scoping partnership program with municipalities and local stakeholders.

Effective Partnerships

We launched our PennDOT Connects program in 2017 to build external relationships by actively involving municipal stakeholders early in the scope and design. Over the past year, our 11 districts have held more than 700 meetings with local municipalities and stakeholders to discuss almost 2,000 PennDOT projects.

In 2016, we embarked on a County Maintenance Accreditation Process, which is a statewide review of best practices and opportunities in PennDOT's operations in the state's 67 counties. This program is designed to strengthen internal relationships among and between the counties, districts, and central office. This culminated with each district and county presenting to senior staff in late 2017 their maintenance plans and opportunities for the next several years.

We developed new sidewalk maintenance agreements for townships to better balance current and future responsibilities of PennDOT and municipalities.

We streamlined our ability to partner with municipalities to add shoulder bike lanes on state roads with simplified maintenance agreements.

Act 89 increased distributions back to municipalities for their system. In 2017, we distributed roughly \$466 million to municipalities in liquid fuel payments, compared to the \$320.8 million the year before Act 89 was implemented. This has allowed more miles to be improved on the local system. We also implemented the Green Light-Go program, which is helping municipalities better maintain their traffic signals. With Act 89 resources, PennDOT distributed \$33 million in Green Light-Go funds in 2017 to 98 municipalities.

All told, using various programs authorized in state law for counties and municipalities, PennDOT has distributed nearly \$1 billion between December 2016 and November 2017 to counties and municipalities to help them meet the needs of their large highway and bridge system. This helps these government units improve the ride for their residents.

Innovative, Smart and Diverse Organization

As the first woman to head either Pennsylvania's Transportation Department or its predecessor Highway Department, I am committed to making PennDOT an innovative, smart and diverse organization and one that enhances diversity in all its external relationships.

To that end, we:

- Have been expanding contract opportunities for small, disadvantaged, and diverse businesses;
- Staged three regional Diversity forums across the state last year to attract more minority- and women-owned enterprises into doing business with us. I have also engaged in a series of women in transportation forums to reach out to young women about building transportation careers.
- Are actively recruiting an ethnically and gender diverse work force by establishing internal committees to review policies, establishing mentoring groups for women leadership and women in maintenance fields, and doing active succession planning and career development
- Are providing national leadership in Automated and Connected Vehicle policies for testing and deployment.
- Creating IT apps for devices that are more efficient work products in construction, traffic operations, and maintenance.

--Guided staff to encouraging them to ensure that interview panels are diverse. Diverse panels send a positive message to candidates and that diversity is key to overall success of the organization.

--Created a Mentoring Program for entry-level positions, providing opportunities for staff to enhance professional skill sets for growth and success. Focus is on selecting individuals from diverse groups. The first year of the program in 2016 was 19% minority and 38% female. The current class is 25% minority and 48% female.

--Created two recruitment positions to recruit diverse individuals. They have fostered relationships at schools with diverse populations and diverse organizations such as the Urban League of Philadelphia, Lehigh Carbon Community College and Harrisburg Area Community College. Career Fairs attended last year include - Temple University College of Engineering Spring Career Fair, St. Rep. W. Curtis Thomas' Public Sector Job Fair, Hiring Our Heroes Hiring Event and the Al Dia News Media Diversity Career Fair.

--Are hiring high school student interns through our School to Employment at PennDOT program (STEP). This year's group of students is made up of 27% minorities and 24% women. In Central Office, we have seven STEP students—six are minorities, five are women.

-- Created a recruitment video for our Winter Maintenance Program promoting opportunities in Maintenance. It features two employees--a female assistant county manager and a Hispanic male equipment operator/acting foreman. It was recently recognized by the AASHTO's subcommittee on Transportation Communication, taking 1st place in the TransComm Skills Contest. The annual contest is considered the premier competition in the transportation industry and the awards have become a standard of public relations excellence among state DOTs.

--Joined with the Constructors Association of Western Pennsylvania (CAWP) to launch the Future Road Builders (FRB) mobile video game platform to encourage underserved populations to pursue highway and bridge construction jobs. The platform was funded by a FHWA Ladders of Opportunity \$398,500 grant--which was one of six awarded nationally--focusing innovative highway construction workforce development programs that target specific workforce development needs across the country and build ladders of opportunity to the middle class for American workers.

Safety at All Levels

Safety is at the heart of all we do. Contrary to the national trend, Pennsylvania has seen its statewide fatality numbers drop in recent years and we hope that trend will continue. We want everyone to get home safely to their loved ones so having as few fatalities as possible is our ultimate measure. In 2016, we had a record low number of fatalities with 1,188. The numbers are not yet finalized, but preliminary data suggests that 2017 was even lower. We invest

approximately \$130 million annually in efforts to support the national Toward Zero Deaths initiative, which was established based on the belief that even one life lost is too many. These efforts include underwriting law enforcement efforts, infrastructure improvements and public education.

REAL ID

To meet the federal requirement that all states comply with the REAL ID rules by October 2020, PennDOT is moving forward with plans for a voluntary opt-in plan for REAL ID participation. In order to participate in the REAL ID program, residents will voluntarily provide the required documentation and be subject to verification of those documents.

PennDOT anticipates an estimated 25 percent REAL ID adoption rate, based on other reported state adoption rates, which amounts to 2.5 million current Pennsylvania residents. Of the 2.5 million customers, the Department anticipates 1.3 million customers will request a REAL ID product before October 1, 2020. PennDOT anticipates the remaining 1.2 million customers will request a REAL ID product sometime after October 1, 2020, the date U.S. Department of Homeland Security (DHS) has indicated it will no longer provide any additional compliance extensions.

The current Driver License Center infrastructure functions at maximum capacity for current customer flow before the addition of REAL ID, regarding both staffing and building size. Without additional capacity to meet the additional influx of customers, implementation of the two-tiered optional REAL ID system under Act 3 of 2017 may result in delays for customers seeking standard-issued driver licenses or photo identification cards.

To ensure customer access, convenience and a positive customer experience while containing costs, PennDOT will implement required security and process changes necessary to allow Pennsylvania residents who opt for a REAL ID to make an initial application and submit federally required documentation at local Driver License locations. These customers will then receive their REAL ID-compliant product promptly via mail delivery. The department will evaluate and increase staffing levels and hours of service at existing facilities as necessary to mitigate impacts to standard-issue driver's licenses or photo identification card customers.

For residents who require a REAL ID immediately for travel or other purposes, and to help address the expected surge of additional customers seeking a REAL ID, the department will also create or retrofit a limited number of Driver License Centers that will offer a same day REAL ID product. These new and retrofitted facilities will be strategically located throughout the state to respond to anticipated customer demand. The department expects to establish five to eight new REAL ID Centers, and to retrofit up to five existing Driver License Centers to be same day REAL ID capable. Additional centers will be upgraded to same day REAL ID capable when they are renovated per the department's standard renovation schedule.

Corresponding staffing increases will be determined as necessary to ensure smooth implementation of REAL ID and to address and manage the expected initial surge of customers at both existing and new centers. Total number of facilities and complement will be reduced over time through the consolidation of facilities and attrition of complement as the surge subsides. Planned availability of the optional REAL ID product is Spring of 2019, pending an additional waiver from U.S. DHS.

Driver and Vehicle Services

While meeting the federal mandate for REAL ID, Driver and Vehicle Services has continued to develop award-winning programs that improve efficiencies and save taxpayers' dollars.

In 2017, PennDOT implemented the ability for customers to renew online and print their official registration document without waiting for a mailed piece from PennDOT.

This innovation earned PennDOT the Governor's Office's 2017 GO-TIME Award, as well as the 2017 International Trailblazer Award from the American Association of Motor Vehicle Administrators (AAMVA).

By "going paperless" with several of its most popular publications, such as the driver's manual, PennDOT is realizing savings by no longer printing and storing large quantities of these publications. Additionally, PennDOT is significantly reducing the amount of paper used, which will have a positive environmental impact.

During 2017, Driver and Vehicle Services completed statewide implementation of newly-designed driver's licenses and identification cards. The cards feature a new look and have additional enhanced security features, which improve fraud prevention and protect from counterfeiting and alteration.

Multimodal

Governor Wolf has committed nearly \$300 million to the Philadelphia Port's infrastructure, warehousing and equipment. These investments will help the port to double container capacity, create thousands of jobs and position the port for future growth. We also improved management at the Philadelphia Regional Port Authority through implementing efficiencies that reduced the state's annual subsidy from \$3.3 million to \$1.5 million.

We continue to leverage our Cargo Incentive Program, which rewards companies for bringing new containerized cargo shipping services and new container lifts to the port.

Combined with the deepening of the Delaware River channel, these investments are making the port more attractive to shippers, a development that means family-sustaining jobs and economic prosperity for the region.

We also plan a freight summit this year to discuss and address burgeoning freight demand and traffic across Pennsylvania.

Public transportation is available in some form in every single county in Pennsylvania, providing roughly 410 million trips annually for work, medical appointments and more. In the current fiscal year, more than \$490 million is available for public transportation capital projects and just over \$1 billion for operating subsidies.

PennDOT is also working with regional transit agencies to explore consolidation and regionalization of transit operations to save money and increase efficiencies. Three consolidations have been accomplished (Berks-Lancaster, Rabbitransit of York overseeing shared ride for 10 counties and reaching agreement to manage operations at Capitol Area Transit, and Crawford taking over Venango County fixed route and shared ride services), and studies continuing in three other regions (south central counties, Armstrong and Indiana counties, and Lackawanna and Luzerne counties and the city of Hazleton.)

We continue our support for passenger rail. Amtrak reported in November that ridership on the Keystone Service was up to 1.5 million riders in fiscal year 2017 compared to 1.46 million the year before, a 2.6 percent increase. That was the third highest ridership among the 29 state supported Amtrak routes listed.

Again, thank you for allowing us the opportunity to review with you the work our nearly 12,000 employees do day in and day out for the more than 12 million people who call Pennsylvania home. We are committed to using the resources you give us wisely, effectively and timely to make this state a wonderful place to work and live.