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COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE

MAIN CAPITOL
HOUSE CHAMBER
HARRISBURG, PENNSYLVANIA

BUDGET HEARING
DEPARTMENT OF TRANSPORTATION

TUESDAY, FEBRUARY 23, 2021
10:09 A.M.

BEFORE:

HONORABLE STANLEY SAYLOR, MAJORITY CHAIRMAN
HONORABLE MATT BRADFORD, MINORITY CHAIRMAN
HONORABLE ROSEMARY BROWN
HONORABLE TORREN ECKER
HONORABLE JONATHAN FRITZ
HONORABLE KEITH GREINER
HONORABLE DOYLE HEFFLEY
HONORABLE JOHNATHAN HERSHEY
HONORABLE LEE JAMES
HONORABLE JOHN LAWRENCE
HONORABLE ZACH MAKO
HONORABLE NATALIE MIHALEK
HONORABLE TIM O'NEAL
HONORABLE CLINT OWLETT
HONORABLE CHRIS QUINN
HONORABLE GREG ROTHMAN
HONORABLE MEGHAN SCHROEDER
HONORABLE JAMES STRUZZI
HONORABLE JESSE TOPPER
HONORABLE RYAN WARNER
HONORABLE DAVE ZIMMERMAN
HONORABLE AMEN BROWN

1 BEFORE (continued):
2 HONORABLE DONNA BULLOCK
3 HONORABLE MORGAN CEPHAS
4 HONORABLE AUSTIN DAVIS
5 HONORABLE ELIZABETH FIEDLER (VIRTUAL)
6 HONORABLE MARTY FLYNN (VIRTUAL)
7 HONORABLE ED GAINEY
8 HONORABLE **PATTY KIM**
9 HONORABLE **EMILY KINKEAD**
10 HONORABLE **STEPHEN KINSEY**
11 HONORABLE **LEANN EKREGER**
12 HONORABLE **BENJAMIN SANCHEZ** ((VIRTUAL))
13 HONORABLE **PETER SCHWEYER**
14 HONORABLE **JOE WEBSTER**

9 NON-COMMITTEE MEMBERS:
10 HONORABLE TIM HENNESSEY
11 HONORABLE BARRY JOZWIAK
12 HONORABLE JEFF PYLE
13 HONORABLE CRAIG STAATS
14 HONORABLE JOE KERWIN
15 HONORABLE MIKE CARROLL
16 HONORABLE JOE HOHENSTEIN
17 HONORABLE BRIAN SIMS
18 HONORABLE STEVE MALAGARI

15 COMMITTEE STAFF PRESENT:
16 DAVID DONLEY, MAJORITY EXECUTIVE DIRECTOR
17 RITCHIE LaFAVER, MAJORITY DEPUTY EXECUTIVE
18 DIRECTOR
19 ANN BALOGA, MINORITY EXECUTIVE DIRECTOR
20 TARA TREES, MINORITY CHIEF COUNSEL

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SUBMITTED WRITTEN TESTIMONY

* * *

(See submitted written testimony and handouts
online.)

1 P R O C E E D I N G S

2 MAJORITY CHAIRMAN SAYLOR: Madam
3 Secretary, are you there?

4 SECRETARY GRAMIAN: Good morning.
5 I'm here, sir. How are you?

6 MAJORITY CHAIRMAN SAYLOR: I'm doing
7 great, Madam Secretary.

8 SECRETARY GRAMIAN: Great.

9 MAJORITY CHAIRMAN SAYLOR: You are
10 going to be the only one testifying; am I
11 correct, Madam Secretary?

12 SECRETARY GRAMIAN: You're correct.

13 MAJORITY CHAIRMAN SAYLOR: Very good.
14 To get started, if you would raise your right
15 hand and I will swear you in, and then we'll
16 start with our first questioner.

17 * * * * *

18 YASSMIN GRAMIAN,
19 was duly sworn or affirmed.

20 * * * * *

21 MAJORITY CHAIRMAN SAYLOR: Thank you,
22 Madam Secretary.

23 And we will start off with
24 Representative Jesse Topper.

25 REPRESENTATIVE TOPPER: Madam

1 Secretary, good morning.

2 ACTING SECRETARY GRAMIAN: Good
3 morning.

4 REPRESENTATIVE TOPPER: We know that
5 this past year was certainly a challenge in
6 terms of budgeting. We actually had to push
7 off part of our budget until November. And it
8 was about a day and a half before we enacted
9 the second part of our budget that we had the
10 request from the department for, at the time,
11 600 million dollars worth of bonding, and then
12 later was pared back to about 475 million.
13 That's a little bit of a jarring number, but
14 probably what was more jarring was the timing
15 of it, in that we had not heard about these
16 shortfalls until right before that -- that
17 budget was to be enacted. And, in the
18 meantime, you know, we've gone through --
19 Chairman Saylor did a letter, the treasurer, I
20 know the governor's office got involved as
21 well, as we tried to make sure we were in a
22 position to continue with these projects.

23 Could you kind of explain to this
24 committee what happened, how we got to that
25 point from a cash flow standpoint and where

1 we're at at the moment?

2 ACTING SECRETARY GRAMIAN: Sure. Be
3 happy to.

4 So, as you know, we started the year,
5 the fiscal year with a budget with absolutely
6 no expectations that we were going to face a
7 situation such as COVID, with a huge drop in
8 the revenue that we saw starting at the middle
9 of March. And, typically, the way we actually
10 do our planning and programming at PennDOT,
11 it's over a period of multiple years, two to
12 three years, and we look at the forecasted
13 budget that we see from the governor's office
14 and the budget office, and based on the
15 forecasted numbers, we develop our program,
16 and we set a value for how much we're going to
17 spend on the construction side, on the
18 maintenance side.

19 Now, we monitor the revenue on a
20 monthly basis, obviously. And as we get
21 towards the end of the year, if we have a
22 shortfall in the anticipated revenue, we
23 adjust our program accordingly. And that was
24 the reason that, back in '19/'20, we actually
25 reduced the size of our letting program to 2.2

1 billion. And -- as well as '20/'21, we
2 reduced it to 2.2 billion. But -- I'm sorry,
3 '19 and '20. And so, you know, this is
4 actually the normal process.

5 What happened was, we got into the
6 COVID situation, and we realized every month
7 the revenue is going down. The traffic was at
8 40, 45 percent of the normal traffic
9 through -- compared to the prior year. So,
10 when the traffic goes down, the revenue goes
11 down, obviously. We saw less of the revenue
12 of the Motor License Fund coming into our
13 treasury. As you know, 75 percent of our
14 revenue comes in the gas tax. So, we saw a
15 major decline in our revenue. We were
16 extremely concerned about what's going to
17 happen. And in July we started looking into
18 where we are for the remainder of the year.
19 This is after the seven-month's budget was
20 passed in June, which was a reduced version.
21 Immediately after that, we started looking
22 into where we're going to be, because,
23 obviously, you know, the program was set at a
24 different level, with the projects that were
25 out there already, and the revenue drops

1 drastically. Initially, we thought it was
2 going to be around 800 million, but we saw
3 traffic coming back. And the forecast that we
4 were receiving from the Department of Revenue
5 was around 600 million.

6 REPRESENTATIVE TOPPER: So, you're
7 actually saying it -- the closer we got to
8 enactment of the second budget in November,
9 revenues were actually getting better? Is
10 that what I just heard?

11 SECRETARY GRAMIAN: The revenue were
12 getting better in compared to where we were in
13 July. And coming to November, we still
14 thought that we were going to have a shortfall
15 of revenue by 600 million, based on all the
16 forecasts that we received and everything.
17 However, sir, we were counting on a lot of
18 plans that never materialized.

19 We were hoping that the federal
20 government would come through with some kind
21 of a relief fund before the FAST Act expired
22 end of September. There were a lot of the
23 conversations about a highway/bridge CARES
24 package, and we were hoping that we were going
25 to get some.

1 REPRESENTATIVE TOPPER: And in
2 December, the Response and Relief Supplemental
3 Appropriations Act was enacted, and that was
4 407 million for highways and bridges. Where
5 -- what we enacted then in November, and now
6 we're at now, can you give us -- as my time is
7 running short -- can you give us a little bit
8 of a snapshot of where we are at the moment?

9 SECRETARY GRAMIAN: Yes, correct.
10 So, the revenue actually did -- the losses in
11 the revenue was reduced to 475 million by the
12 end of November, and the reason for that was
13 our appropriation level was increased back in
14 the budget in November. Okay? We received
15 the 407 million dollars in the federal relief
16 package, and that a 407 million, most of it --
17 majority of it was spread in our construction
18 projects and our letting projects. So, that's
19 where we are right now.

20 Do we have a shortfall compared to
21 where we were? Yes. And that is why we're
22 reducing our letting program. We do have a
23 chance to take a corrective action right now,
24 because we are getting into a new budget
25 season, we're adjusting our program. Our

1 letting is not going to be at the level that
2 we wanted to. We were hoping to be able to do
3 2.2 billion in '21/'22. We are going to keep
4 it at 1.9 billion, not to overexpand.

5 And part of the challenges we were
6 having, sir, was because we were committed --
7 all the funds were committed to all these
8 projects, and we had to find a way to pay for
9 it. So, we are trying to be more careful
10 about how much we are actually appropriating
11 and spending on our projects.

12 REPRESENTATIVE TOPPER: I think
13 reducing the letting until we make sure we
14 know the cash flow is a good idea. I am not
15 even so sure that bonding isn't something
16 right now, with the interest rates, that we
17 shouldn't look at. I just think that from a
18 legislative standpoint, as we get ready for
19 the budget, those conversations take months,
20 not hours. And so, the more information we
21 can get and the sooner we can get it I think
22 the better off we can be.

23 Thank you very much.

24 Thank you, Mr. Chairman.

25 SECRETARY GRAMIAN: Thank you.

1 MAJORITY CHAIRMAN SAYLOR:

2 Representative Austin Davis.

3 REPRESENTATIVE DAVIS: Thank you,
4 Mr. Chairman.

5 Madam Secretary, thank you for
6 joining us today. You know, I just want to
7 start off by saying, I sit on the Port
8 Authority Board in Allegheny County, and mass
9 transit, in our community and our region is a
10 lifeline for many working -- and struggling --
11 class families particularly in the area that I
12 represent, the Mon Valley.

13 You know, the pandemic has certainly
14 changed everything -- everything across our
15 government sector. So, can you talk a little
16 bit about what you see the future of mass
17 transit looking like, pending the funding
18 cliff that's coming up, pending the exiting of
19 the pandemic, all of those factors?

20 SECRETARY GRAMIAN: So, thank you for
21 that question.

22 The mass transit is in a very
23 critical situation right now, especially, you
24 mentioned, Allegheny County port authority, as
25 well as SEPTA, and we're very concerned about

1 the future of these two major transit agencies
2 within our state.

3 We were delighted that the -- we're
4 among the list of, you know, agencies
5 receiving some relief through the CARES Act.
6 But this is a temporary fix for the time
7 being, and we're very concerned about what's
8 going to happen once Act 44 expires, which is
9 in 2022, and what kind of source of funding we
10 can identify to replenish the funding that's
11 going currently to the public transit. As you
12 know, majority of the money is going towards
13 the capital program, some towards operational
14 programs. But we are very concerned about the
15 replacement of funding for Act 44.

16 What you mentioned about the impact
17 of the COVID-19 on the transit agencies has
18 been huge. It's been huge. And, you know, I
19 understand SEPTA is losing a million dollars
20 of revenue on a daily basis. I'm sure it's
21 not much different in terms of percentage of
22 the revenue with the Allegheny transit agency.
23 We're very concerned about the future and the
24 -- whether the transit system is going to go
25 back into what it used to be in terms of

1 providing services that they used to with the
2 ridership before COVID-19. They're working
3 extremely hard, as you know, to make sure that
4 they gain the confidence of the public so
5 public feels comfortable using the transit
6 agencies. Obviously, as people are going to
7 get vaccinated, the transit riders get
8 vaccinated, the operators get vaccinated,
9 things are going to go back to normal. But
10 until then, we're very concerned about how
11 this is going to impact the services that are
12 being provided by the transit agencies, major
13 transit agencies.

14 You may have heard the testimony that
15 was given by General Manager Leslie Richards,
16 and she's talking about a number of different
17 things to be able to manage, you know, the
18 unfortunate situation, you know, including
19 cutting services and lines and furloughs and a
20 whole bunch of other things. People who are
21 taking -- majority of the people who are
22 actually taking these transit services, they
23 depend on the transit services to get to their
24 jobs, to their schools. A lot of them are
25 essential workers. So, we're very concerned

1 about that.

2 We're putting a group together. It's
3 being evaluated at the national level as well
4 as state level on how this COVID-19 is going
5 to impact the behavior of the public in terms
6 of their confidence level of using the transit
7 agencies, and we're hoping it comes back. But
8 until then, we need to make sure that, you
9 know, first of all, there is enough funding
10 available, that they can continue with their
11 operational costs, and then -- as well as we
12 want to make sure that, you know, the
13 condition and the states of good repairs for
14 all their infrastructure is in place.

15 REPRESENTATIVE DAVIS: Thank you.
16 Thank you, Madam Secretary.

17 I just -- I appreciate you delivering
18 that sobering assessment of where mass transit
19 is. I certainly want to be a partner with you
20 and PennDOT to try to figure out that issue.
21 As you said and I think I said in my earlier
22 comments, mass transit's a lifeline to many
23 folks. I think there might be an opportunity
24 in -- even in the fact that ridership is down,
25 for us to maybe rethink the people that we're

1 serving. Maybe it's an opportunity to serve
2 populations that haven't been previously
3 served before.

4 So, I think we, as a legislature, and
5 you, as the department, need to be flexible to
6 work with the port authority and SEPTA to make
7 those changes. But I look forward to being a
8 partner with you, moving forward, as it
9 relates to mass transit.

10 So, thank you, thank you for the
11 update.

12 And with that, Mr. Chairman, that
13 concludes my questions.

14 MAJORITY CHAIRMAN SAYLOR: Our next
15 questioner is Representative Struzzi.

16 REPRESENTATIVE STRUZZI: Thank you,
17 Mr. Chairman.

18 And good morning, Madam Secretary.

19 In the line item budget for driver
20 and vehicle services, there is an increase of
21 7.4 million, taking the total budget to 225.8
22 million in fiscal year 2021/'22. That's an
23 8.4 percent increase. And that is for a
24 program called Enhancing the Customer Service
25 Experience, I believe. And while I certainly

1 think that is definitely warranted, one of the
2 top items we spend time on in our district
3 offices are dealing with driver and vehicle
4 services, constituent inquiries, issues that
5 can't be addressed at the driver vehicle
6 center at the Indiana mall and other issues
7 with that.

8 Can you please explain how this 17.4
9 million dollars (sic) is going to be used to
10 enhance the customer service experience and
11 provide faster and more opportunities to have
12 these things addressed without them having to
13 come to our offices to deal with these issues?

14 SECRETARY GRAMIAN: Yes, thank you
15 for that question.

16 There are a number of things that are
17 happening with the driver's and vehicle
18 services. First of all, when they talk
19 about -- when we talk about enhancing customer
20 service, it starts from the minute you get
21 into the driver's vehicle service offices that
22 we have, right, the locations. We wanted to
23 make sure, when people come in, they have
24 proper documents, they have -- they're not
25 going to be spending a lot of time waiting,

1 going back and forth. So, we have created
2 this triage for the customers when they get
3 in, to be greeted and their documents get
4 reviewed. We wanted to make sure, you know,
5 they know which line to stand in and where to
6 take the numbers, and if they have any
7 questions, to address that. This is part of
8 the in-person experience.

9 The other thing is, as you know,
10 we're actually digitizing -- making electronic
11 services available, I should say, to the
12 customers, you know. A lot of these services
13 that the customers couldn't do in the past,
14 now they're available to do it. They can use
15 a credit card to pay for any services.

16 The other thing that we wanted to
17 make sure is, you know, facilities getting
18 upgraded and updated for security reasons.
19 Those facilities that are actually being
20 strengthened and improved for the REAL ID.
21 That's another area where we're spending the
22 money.

23 The other thing that we're doing is,
24 we are upgrading the system -- the antiquated
25 system for DBS, you know, making sure they are

1 merging into one system. It's all part of the
2 e-gov, and there is one-stop shop for
3 everything, all services.

4 So, essentially, some of these are
5 the kind of upgrades and updates that we're
6 doing to the driver's and vehicle services
7 that has required some expenditure and
8 spending investment into it.

9 REPRESENTATIVE STRUZZI: And it also
10 includes, I believe, an 11.6-billion-dollar --
11 is it an increase to maintain the photo fee?
12 Can you explain that?

13 SECRETARY GRAMIAN: So, when you
14 mention maintaining the photo fee, there is --
15 what I have to say is, the photo fee has not
16 been increased for several years. And right
17 now, we are losing money for the pictures that
18 are being taken, for customers when they are
19 getting a new license or new I.D. And that's
20 part of it. And we are actually allowed to
21 index the cost for the photo. So, we are
22 hoping to be able to do that, to recuperate
23 some of that cost.

24 REPRESENTATIVE STRUZZI: And just one
25 final question, since I have some time. Our

1 Indiana driver licensing center in the Indiana
2 mall, which I mentioned earlier, has been
3 operating under extremely reduced hours,
4 extremely reduced services, and it's my
5 understanding that they're actually car
6 pooling employees from the Punxsutawney
7 license center to Indiana to staff the Indiana
8 center while we are making customers in
9 Indiana travel to Punxsutawney or Greensburg
10 to get certain services.

11 Do you have any idea when the driver
12 licensing centers are going to fully reopen?
13 It seems kind of foolish to me to be car
14 pooling from one driver license center to
15 another when they could be fully open and
16 providing those same services right in
17 Indiana.

18 SECRETARY GRAMIAN: So, are you
19 referring to driver license center or are you
20 referring to the photo center? Because there
21 are centers that are -- people can go and take
22 their photos, but it's not a full center, and
23 they're open two to three days a week. And
24 what we have done is we have opened all our
25 driver's license center as far as I'm

1 concerned, but the photo centers are not open.

2 REPRESENTATIVE STRUZZI: Yeah, it's
3 really -- people can't take their driver
4 license test at the Indiana mall, when they
5 previously could before COVID. So, they have
6 to actually -- these kids have to go to
7 Punxsutawney or Greensburg to take their test.
8 And as far as I know, that's still the case,
9 and it is a photo center as well.

10 Just -- we need to get this stuff
11 reopened and stop sending people all over the
12 place to take these tests is my point.

13 SECRETARY GRAMIAN: Sir, yes, you're
14 right. And we need to make sure all centers
15 are open, but it's also a matter of resource
16 and distributing the resources across the
17 board to the state, to all the centers, to
18 make sure that we are actually working
19 effectively and efficiently.

20 REPRESENTATIVE STRUZZI: Okay. Thank
21 you.

22 SECRETARY GRAMIAN: Thank you.

23 MAJORITY CHAIRMAN SAYLOR: Our next
24 questioner is Representative Krueger.

25 REPRESENTATIVE KRUEGER: Thank you so

1 much, Madam Secretary. Thank you for joining
2 us for these hearings today.

3 So, I've got a question based on some
4 calls that I've been getting in my legislative
5 office. Last week, PennDOT announced a
6 Pathways program that will enact new bridge
7 tolling for nine bridges in the Commonwealth.
8 One of those bridges, Madam Secretary, is the
9 Girard Point Bridge, a double-decker bridge on
10 I-95. And while it's located in Philadelphia,
11 it is an important commuter route for folks
12 who live in Delaware County in my district.
13 I've got an economic concern about this and
14 also a traffic concern.

15 So, my first question for you is
16 this. Was a traffic study conducted before
17 the Girard Point Bridge was put on this new
18 tolling program?

19 SECRETARY GRAMIAN: Can you explain
20 exactly what you mean by the "traffic study"?
21 The traffic study is ongoing. So, currently,
22 we're actually -- I can briefly tell what you
23 we're looking into. We did a high-level
24 traffic study to make sure that there is
25 enough traffic on these bridges that can

1 provide the opportunity for us to create a
2 project within a reasonable toll rate. So,
3 that was the initial macro review of the
4 traffic numbers, and the traffic numbers on
5 Girard Point is pretty obvious to everyone.
6 We have exact traffic numbers on those. So,
7 that's what we did in the past.

8 But as we're getting into details of
9 this program, one of the things we're going to
10 look into, in a micro level, is the traffic
11 and revenue, because we wanted to make sure
12 that, you know, again, the rate of the toll is
13 going to be within the limits that's important
14 to us, which is a dollar or two. That's one
15 of the qualifying factors for picking all
16 those bridges.

17 What was your next question, ma'am?

18 REPRESENTATIVE KRUEGER: So,
19 actually, on traffic, my particular concern is
20 about traffic congestion, because anyone who
21 drives on 95 has sat in traffic either getting
22 onto this bridge or after getting off of the
23 bridge. So, if we're going to be tolling it,
24 my concern is that this could slow down
25 traffic and cause even longer waits for folks.

1 So, has your traffic study looked at
2 the impact of traffic congestion for this
3 proposal?

4 SECRETARY GRAMIAN: We -- the way
5 that the bridges are getting tolled is
6 open-road tolling, as they call it. And,
7 typically, what they do is they put a gantry.
8 Nobody stops to pay the toll. The cars can
9 drive underneath the gantry, and, you know,
10 they either have an EZ Pass and the toll gets
11 charged towards their EZ Pass, their account,
12 or if they don't, it will take a picture of
13 their driver's -- from their license plate,
14 and they will bill the customers for the
15 amount of the toll.

16 So, there is no disruption to the
17 flow of the traffic. They don't have to slow
18 down. They can continue. They call it an
19 open-road tolling concept.

20 REPRESENTATIVE KRUEGER: So, there's
21 no reduction in speed limit before someone
22 approaches the tolling apparatus?

23 SECRETARY GRAMIAN: No, no. It's
24 not, ma'am. No.

25 REPRESENTATIVE KRUEGER: Okay. My

1 second question is an economic question. How
2 much is the proposed toll going to be for this
3 bridge, and will it be tolled in both
4 directions or just in one direction?

5 SECRETARY GRAMIAN: So, as I
6 mentioned earlier, we're trying to keep the
7 tolls within a limit of a dollar or two. We
8 don't know the exact number yet, as we are
9 cranking the numbers and we are doing the
10 economic analysis and we use our traffic and
11 revenue model. And the consultants are going
12 to be doing that. We're going to figure out
13 the exact number. It could be a dollar. It
14 could be two dollars. It could be a dollar
15 sixty-seven. I don't know. I really don't
16 have the exact number. That will be defined
17 as the program gets further developed.

18 And you asked a question about
19 whether it's going to get tolled on both
20 sides, most likely it's going to get tolled on
21 both sides, yes.

22 REPRESENTATIVE KRUEGER: North and
23 going south would be charged.

24 SECRETARY GRAMIAN: Yes. Again, we
25 have to -- we are going to have more accurate

1 information. I don't want that to be, you
2 know -- this is what we're trying to do,
3 because we are trying to keep it within
4 certain limits, right. We can eliminate one
5 side for tolling, but what it's going to do is
6 it's going to increase the tolling on the
7 other side. So, we're actually -- this is
8 going to be further evaluated and shared with
9 the public.

10 REPRESENTATIVE KRUEGER: Madam
11 Secretary, my understanding is that this
12 proposal was approved by the public-private
13 transportation partnership board. What kind
14 of private partner would PennDOT need to move
15 forward with this proposal?

16 SECRETARY GRAMIAN: The private
17 partner that PennDOT needs is a development
18 entity. The development entity, meaning the
19 folks who are actually funding the project.
20 They come in with their equity, and they
21 invest into the project. They put a team
22 together. The team includes designer,
23 contractors. And there's going to be a lot of
24 local contractors involved in this project, a
25 lot of local designers in this project.

1 Typically, the development entity,
2 they don't come in with their own crew to do
3 the work. They do this type of project as an
4 investment. And that's the private side.
5 And, of course, there's going to be all kinds
6 of opportunities that we are looking into that
7 they should be taking advantage of that would
8 generate, you know, a low-interest rate kind
9 of an opportunity, bonding opportunity, or
10 other opportunities for the development entity
11 to invest into this project.

12 PennDOT is not putting any money into
13 the project, for your information.

14 REPRESENTATIVE KRUEGER: Madam
15 Secretary, my time is up, but I do want to say
16 for the record, I do have some pretty serious
17 concerns. This is the only bridge in
18 southeastern Pennsylvania. This is a
19 high-traffic route, and I am going to request
20 some further evaluation and information for
21 the legislators who serve the people who would
22 be impacted by this toll.

23 Thank you, Madam Secretary.

24 SECRETARY GRAMIAN: Sure.

25 MAJORITY VICE CHAIRMAN TOPPER: The

1 chair thanks the lady.

2 Madam Secretary, we are having some
3 technical issues with your video feed;
4 however, we can hear you fine, so we're going
5 to continue. Our folks from our tech end will
6 be looking at it. Your screen is frozen, but,
7 again, we can hear you. So, as long as you're
8 doing okay, we're going to continue with our
9 questioning.

10 SECRETARY GRAMIAN: Okay, sir.

11 MAJORITY VICE CHAIRMAN TOPPER: All
12 right. Next, the chair recognizes the lady
13 from Bucks, Ms. Schroeder.

14 REPRESENTATIVE SCHROEDER: Thank you,
15 Chair.

16 Good morning, Madam Secretary.

17 SECRETARY GRAMIAN: Good morning.

18 REPRESENTATIVE SCHROEDER: Morning.

19 Due to the COVID-19 pandemic, the
20 federal Coronavirus Response and Relief
21 Supplemental Appropriations Act, as well as
22 the CARES Act, provided PennDOT with a total
23 of 154 million to distributed to local transit
24 agencies. Additionally, Pennsylvania transit
25 agencies received 1.4 billion dollars, direct

1 funding, outside of PennDOT's control.

2 What are these transit agencies using
3 this funding for? And how will this impact
4 their financial outlook?

5 SECRETARY GRAMIAN: So, you mentioned
6 the -- the way the money was distributed, we
7 received 1.4 -- 1.1 billion of CARES money for
8 the public transit agencies. And this money
9 actually is -- and, by the way, the federal
10 government provided the CARES funding directly
11 to the major urban transit agencies, that
12 being the port authority as well as the SEPTA.
13 So, they received it directly.

14 Now, the CARES money that PennDOT
15 received to be distributed to the public
16 transit agencies, we used the funding to make
17 sure that all the operational costs was being
18 paid for through the CARES money, so that --
19 and this is just for the fixed route, for the
20 share route, for all the public transit
21 agencies within the state.

22 REPRESENTATIVE SCHROEDER: So, I
23 guess, to think long-term here and what
24 direction we're going, what happens to mass
25 transit when all the federal COVID funds are

1 fully utilized?

2 SECRETARY GRAMIAN: So, it depends on
3 which mass transit you're talking about. The
4 urban ones, I just covered the situation on
5 the port authority and SEPTA. We are very
6 concerned about the future of SEPTA and port
7 authority, and we wanted to make sure that
8 hopefully the ridership comes back and the
9 revenue comes back somewhat, there is enough
10 money to cover them between now and when the
11 ridership comes back.

12 But we are also concerned about both
13 agencies having enough funding to be able to
14 pay for the state of good repair and
15 particularly the services they are providing.
16 This is really important.

17 On the smaller agencies, we are
18 actually working with the county public
19 transit system that I'm referring to. We're
20 working with -- Deputy Secretary Granger is
21 looking into the amount of funds that we
22 received under the CARES package and
23 evaluating how long these funds is going to
24 last. It appears that we will be good for the
25 remainder of this year, into the next fiscal

1 year, but we are very concerned about what is
2 going to happen in the future years.

3 Hopefully, by then, we're out of
4 COVID, life will go back to normal, and the
5 economy will pick up, and we shouldn't worry
6 about the stuff that we are worrying about
7 right now.

8 REPRESENTATIVE SCHROEDER: So, you
9 feel that the COVID relief money that came in
10 will take them through into next year?

11 SECRETARY GRAMIAN: Yes. Yes.

12 REPRESENTATIVE SCHROEDER: All right.
13 So, I just, you know, really want to emphasize
14 the ridership for -- I live in Bucks County
15 and part of the southeast region, and SEPTA is
16 huge for our local economies and helping us
17 grow. So, I think, as we plan here and going
18 forward, you know, we need to be looking long
19 term in, do we have enough, what do we need,
20 and then really communicate that and work
21 towards that goal.

22 So, thank you so much. And that's
23 all.

24 I'll yield back my time.

25 SECRETARY GRAMIAN: Yeah. And I want

1 to emphasize that I don't believe the money we
2 received from the federal government is going
3 to be enough for SEPTA and port authority.
4 The money that we received is going to be
5 sufficient for the local public transit
6 agencies.

7 MAJORITY VICE CHAIRMAN TOPPER: Chair
8 thanks the lady and thanks the Secretary.

9 Just an update for the members, due
10 to the secretary's video feed being frozen,
11 whenever the secretary's speaking, we'll show
12 just a wide shot of this room.

13 Since the audio's working okay, Madam
14 Secretary, we're just going to continue, as
15 opposed to asking you to get in and back out
16 of the Zoom meeting. We don't want to risk
17 losing you. So, we're going to go ahead and
18 just do it like that, as long as all the
19 members are okay with it. I guess even if
20 they're not okay with it, that's what we're
21 going to do anyway.

22 Next, the chair recognizes the lady
23 from Philadelphia, Ms. Bullock.

24 REPRESENTATIVE BULLOCK: Thank you,
25 Mr. Chairman.

1 And good morning, Madam Secretary.

2 SECRETARY GRAMIAN: Good morning.

3 REPRESENTATIVE BULLOCK: We cannot
4 separate transportation from racial justice.
5 In fact, one of the most notable moments and
6 landmark points in the civil rights movement
7 happened on a bus, when Ms. Rosa Parks refused
8 her seat. We also know that many of our
9 highways and roadways were built right through
10 the middle of communities of color and other
11 low-income communities throughout our
12 country's history, separating and isolating
13 these communities from resources, jobs, health
14 care, quality schools, and so much more. If
15 we accept the fact that many of these
16 communities look the way they do today because
17 of the fiscal and policy decisions we made in
18 transportation in the past, then we can move
19 on and make investments in transportation to
20 correct that, rebuild communities and connect
21 them to the rest of us.

22 In doing so, I wanted to reflect on
23 the work that you have been doing in your
24 department to address racial inequity. I
25 notice that you have mentioned that in your

1 written report -- or written testimony, that
2 you have been working in your department to
3 dismantle systemic racism and inequities and
4 that you hope to provide further details in
5 the coming months.

6 I also want to note that, in 2019,
7 your department had completed its own
8 disparity study findings, with BBC Research
9 and Consulting, which found that
10 underutilization of minority- and woman-owned
11 companies and businesses as it relates to
12 contracting. Since a year from that report,
13 and with the work that you have done in the
14 past year, and the circumstances over which
15 our country is reckoning with our own racial
16 justice and inequity, can you please share
17 with me any details in regards to the work
18 that you have done, as well as any updates on
19 the disparity study findings that was released
20 in 2019.

21 SECRETARY GRAMIAN: Sure. Be happy
22 to.

23 So, talking about the disparity
24 study, as you mention, the study was released
25 in October of 2018, and we outlined some

1 measures that could be implemented to increase
2 the small and minority- and woman-owned
3 business participation in our contracting. We
4 developed a steering committee to review the
5 results and do some planning, short-term and
6 long-term measures, to address these findings.

7 We also put two work groups together,
8 and there was much of the focus on, you know,
9 developing the program that would address this
10 disparity situation. One of the work groups
11 looked into the programs that are available
12 for diverse businesses within the Department
13 of Transportation, as well as General
14 Services, and also we wanted to make sure that
15 there is enough information out there, there
16 is education out there, there is partnership
17 out there, and folks who are disadvantaged
18 business enterprises or small minority
19 businesses are aware of all these
20 opportunities and the programs and so forth.

21 And then, the other thing that we
22 were looking into is to make sure that we help
23 testimony with the barriers to qualify to do
24 work for Department of Transportation as well
25 as DGS, what is it that they need to do or to

1 have to build the capacity, what kind of
2 documentations they need, what kind of bonding
3 and insurance they need to be able to qualify.

4 The other thing that we -- we are
5 very focused on is to develop our mentor and
6 protege programs, because we realize that, you
7 know, hiring the folks is not enough. You
8 really need to train them, help them out, put
9 them with the folks who are a kind consultant
10 and can assist them with the growth of the
11 smaller firms.

12 So, we've done a number of different
13 things. And, additionally, there are some
14 other programs that we have introduced as a
15 department, which is, specifically for small
16 diverse businesses. And I'm really proud to
17 report that since fiscal year '19/'20, we
18 increased that program by 42 percent and --
19 compared to the prior year, and, you know, we
20 did 25.1 million in '19/'20. And in '20/'21,
21 we are hoping to actually achieve a higher
22 number.

23 The other thing I want to mention is,
24 you know, we're also just allocating some
25 projects specifically for some businesses,

1 small businesses, to be able to compete on as
2 a prime consultant, and that's really
3 important to us, to increase their
4 participation in our programs in a number of
5 different ways.

6 REPRESENTATIVE BULLOCK: Thank you,
7 Madam Secretary. My time is running out. But
8 to the extent that you can share with me at a
9 later date any studies that you are doing
10 around planning, transportation, to improve
11 communities of color, I would love to discuss
12 that with you at a later time.

13 Thank you very much.

14 SECRETARY GRAMIAN: Sure.

15 MAJORITY CHAIRMAN SAYLOR: Chair
16 thanks the lady and recognizes the gentleman
17 from Wayne, Mr. Fritz.

18 REPRESENTATIVE FRITZ: Thank you,
19 Mr. Chairman.

20 And good morning, Madam Secretary.
21 We are sorry to see that we've lost the video
22 feed, but we can hear you loud and clear.
23 Again, thank you for joining.

24 SECRETARY GRAMIAN: Good morning.

25 REPRESENTATIVE FRITZ: Madam

1 Secretary, this pandemic, along with the
2 shutdowns and the governor's restrictions,
3 have had a dire impact on mass transit
4 ridership across Pennsylvania. In fact, just
5 last week I was reading an article in the
6 Philadelphia Inquirer, and that article --
7 that article stated that SEPTA ridership is
8 down 85 percent since pre-pandemic levels.
9 And for our folks at the home, the folks
10 watching this, I want to mention that SEPTA is
11 an acronym. It stands for Southeastern
12 Pennsylvania Transportation Authority, and
13 that authority serves Philadelphia and its
14 surrounding regions.

15 So, Madam Secretary, running empty
16 trains and losing a million dollars per day,
17 this is SEPTA, our largest transit operator.
18 What can you tell us about other transit
19 operators in Pennsylvania?

20 SECRETARY GRAMIAN: They are faced
21 with similar situations there. Although, I
22 have to say, the ridership is going up with
23 the other transit agencies because of lack of
24 choice. People -- it's not at the level that
25 it used to be in the prior years, but, you

1 know, over 60 percent of the folks who rely on
2 public transit within our counties, except for
3 southeast -- I want to take southeast and
4 southwest out of our conversation, as I
5 covered extensively the story about port
6 authority and SEPTA -- but the other transit
7 agencies throughout the state, there are over
8 60 percent of our riders who depend on transit
9 agency as the only mode of transportation.
10 They don't have -- they do not have any other
11 ways or vehicles to get to their jobs, to
12 their doctors' appointments, to whatever they
13 need to take care of. And this is really
14 important to us.

15 And for the longest time, you know,
16 we were not able to collect any fare because
17 we didn't have the proper installation of
18 Plexiglass and all the requirements of the CDC
19 in place, but we wanted to make sure that
20 people can get to where they wanted to get
21 during the COVID-19, and it still continues.

22 So, they're all faced with this
23 challenging situation, of not generating the
24 revenue they want. But as I said earlier, the
25 CARES money is covering the cost of those

1 transit agencies for the time being, and we
2 are hoping into the next year continues until
3 life goes back to normal.

4 REPRESENTATIVE FRITZ: Okay. Okay.
5 Madam Secretary, I'd like to convey, please,
6 that my district and its many inexplicably
7 haggard roads, could very much benefit from
8 that injection of a million dollars. Again,
9 I'm using the SEPTA reference of a million
10 dollars losses per day. Now, that million
11 dollars would have a profoundly positive
12 impact in reshoring roads in my district, the
13 111th Legislative District.

14 So, Madam Secretary, please help me
15 understand, as well as my constituents, help
16 them understand, how we can and allow these
17 massive sustained losses, however a
18 private-sector business or a publicly held
19 company could never survive or justify such
20 losses. Please, help us understand why that
21 can occur and what your agency is doing to
22 stem those losses.

23 SECRETARY GRAMIAN: Sir, when you
24 talk about losses, you're referring to the
25 losses to the transit agencies?

1 REPRESENTATIVE FRITZ: I'm talking
2 about mass ridership losses. When I talk
3 about a loss, I'm talking about a ridership
4 that collects a fare.

5 SECRETARY GRAMIAN: Yes.

6 REPRESENTATIVE FRITZ: Does that fare
7 collection equal the cost to operate that
8 transit?

9 SECRETARY GRAMIAN: Yes. And as I
10 mentioned, the transit agencies manage to
11 survive through the money that they receive
12 from the federal government through the CARES
13 package and the later relief CARES package.
14 So, that's how they manage to survive and
15 recover the cost of losses that you're
16 referring to.

17 REPRESENTATIVE FRITZ: Madam
18 Secretary, and I just kind of want to extend a
19 thought here, a notion that we are soon to see
20 a toll on Route 81 in my district. And help
21 us to explain how many vehicles a day are
22 expected to travel and pay that toll charge,
23 please.

24 SECRETARY GRAMIAN: So, these tolls
25 are being placed on the Route 80 (sic) in your

1 district, and we have roughly around 33,000
2 ADT, average daily traffic, on that particular
3 bridge. Which bridge are you referring to,
4 sir? Nescopeck? We have about 33,000 ADT,
5 average daily traffic. Around 30 to 40
6 percent of the traffic are trucks on that
7 bridge. It's a major freight corridor. And
8 it -- it's got some serious substandard issues
9 that -- the curvature on the roadway; the
10 condition of the structure; the substandard
11 geometry; the bridge, which is substandard;
12 there are some major safety issue with that
13 project -- with that bridge, I should say.

14 And our hope is, through this program
15 that we are introducing, that we could
16 actually reconstruct this structure to the
17 state of good repair, make sure that it's
18 safe, it's brought up to all the current
19 standards, it can tolerate the weight of the
20 -- the current weight of the trucks that are
21 using this facility, and it's going to last us
22 for many, many years.

23 Again, this is a very important
24 corridor for us. It's a freight corridor, and
25 we -- now, more than ever, we wanted to make

1 sure that we are providing a safe facility for
2 the people within the corridor as well as the
3 freight that's taking the e-commerce within
4 the corridor. So, that's the --

5 REPRESENTATIVE FRITZ: Madam
6 Secretary, please, if you'll just allow me.
7 My time is up, but I just want to end with
8 this thought, that we have a toll collection
9 on 81 in the 111th Legislative District that
10 immediately is going to help pay for a bridge,
11 but after that expense is covered, those funds
12 are going to go into the general fund and
13 could possibly subsidize mass ridership in
14 places such as SEPTA, and I just don't think
15 that's fair. That speaks to an injustice.
16 I'll let my comments.

17 Thank you, Mr. Chairman.

18 And thank you, Madam Secretary.

19 MAJORITY VICE CHAIRMAN TOPPER: Chair
20 thanks the gentleman, recognizes the lady from
21 Philadelphia, Ms. Cephas.

22 REPRESENTATIVE CEPHAS: Thank you,
23 Mr. Chairman.

24 How are you this morning, Secretary?

25 SECRETARY GRAMIAN: Good morning.

1 Thank you. How are you?

2 REPRESENTATIVE CEPHAS: I'm well.

3 Couple of quick questions. So, I
4 first want to follow up with some questions
5 that my previous colleague asked, Chairwoman
6 Donna Bullock, in reference to the
7 minority-inclusion report regarding
8 minority-owned businesses and contracting.

9 I want to get your thoughts on -- as
10 we eventually move out of COVID-19, as you're
11 getting dollars from the federal government,
12 and as we're having a conversation about a
13 larger infrastructure package, again, coming
14 from the federal government to stimulate our
15 economy, how do you -- how do you envision the
16 work that you've been doing with
17 minority-owned businesses being a part of that
18 recovery?

19 SECRETARY GRAMIAN: That's a great
20 question. Thank you so much.

21 So, if you follow -- first of all,
22 we're very anxious to see, you know, what's
23 going to come out of the federal government.
24 And, if you followed the U.S. DOT Secretary
25 Buttigieg and what he's saying and where he

1 wants to invest the money that's been much
2 talked about, the 1.9 trillion or whatever
3 that number is going to be, in infrastructure
4 and transportation. Obviously, we don't have
5 the details, but we know infrastructure
6 includes broadband, education, as well as
7 alternative clean energy, electrical vehicle
8 technology, and so forth. That's a big part
9 of where the investment is going go to. And
10 when he talks about transportation, there is
11 much focus on safety. Economic development
12 and jobs is a big part of it. Social equity
13 is a big part of it.

14 Now, there is much emphasis on this
15 issue. And Representative Bullock talked
16 about the highways that we've actually put
17 through the neighborhoods and the communities,
18 where it divided the neighborhoods and the
19 communities. We wanted to make sure that,
20 when we're investing into the projects, that
21 everyone is going to benefit from it.

22 I talked about my toll project or the
23 P3 program. We wanted to make sure that we
24 don't impact in any harms way the folks who
25 are actually in the vicinity of those

1 projects. It's part of the study that we're
2 going to do later on with the environmental
3 impact studies. Obviously, the communities
4 that are going to be impacted will be
5 evaluated, and we'll make sure that there's
6 some kind of a provision put in place that,
7 you know, reduces the impact and mitigates the
8 impact.

9 So, the majority of the funding that
10 we're going to see probably out of this next
11 transportation bill or the relief package is
12 going to be on the transportation side.
13 Again, as I said, safety, economic
14 development, jobs, and social equity.
15 Innovation is also a big part of it. And also
16 resiliency, making sure that we're addressing
17 the climate change that is actually taking a
18 lot of our resources right now to address it.

19 He just released -- U.S. DOT just
20 released the notice of information for grants,
21 900 million dollars. And the way these
22 projects are being evaluated, there is much of
23 the focus on what are these projects going to
24 generate or impact the climate change and how
25 is it going to impact or improve the situation

1 with the racial equity.

2 So, these are the criteria that are
3 being currently considered for the new
4 infrastructure and transportation package.

5 REPRESENTATIVE CEPHAS: I appreciate
6 that response, especially with an eye towards
7 racial and social equity. But one of the
8 things I'm a firm believer is that if it's not
9 measured, it's not managed. So, ideally, as
10 we're anticipating this infrastructure package
11 coming down the pipe, I'd really like to see
12 the department set some goals at the forefront
13 so, again, we're being intentional about the
14 recovery being equitable across the
15 Commonwealth of Pennsylvania.

16 So, I'd definitely like to follow up
17 in reference to that.

18 My second question is centered around
19 -- just as we are moving, again, out of
20 COVID-19, and we're really trying to, you
21 know, grapple with the new world that we'll be
22 moving into, prior to COVID-19 there were a
23 couple of public policy issues that were
24 considered -- being considered in several
25 counties, one being implementing congestion

1 taxes, the other being local municipalities
2 establishing infrastructure banks.

3 Can you speak to just some of the
4 innovative policies that we were considering
5 prior to COVID-19 that you will really be
6 aggressively looking to implement or
7 recommending to implement as we move out of
8 this pandemic?

9 SECRETARY GRAMIAN: Sure. Be happy
10 to.

11 So, when we refer to the PennDOT
12 Pathways program, this is a program that --
13 it's a very comprehensive funding program to
14 address the funding needs Department of
15 Transportation, and it's not just one area.
16 Highway and bridge is the one that we're
17 pushing forward with our P3 program, but we
18 also wanted to make sure that we're addressing
19 all modes of transportation. The multimodal
20 is a big part of it. We had a lot of
21 discussions about the funding that's going to
22 transit systems: SEPTA, port authority,
23 public transit.

24 We also wanted to make sure there is
25 enough money for our maintenance program. Our

1 maintenance program is being flat at best.
2 But, you know, we are actually losing revenue
3 on investing into, you know, into our
4 maintenance business because the cost of
5 personnel is going up, the material, we have
6 to manage the cost. So, there's multiple
7 issues that we're faced with on the
8 maintenance side, too.

9 We -- as I have been saying in my
10 previous testimony, we try to be as efficient
11 and fiscally responsible with the money that's
12 coming to the Department of Transportation.
13 Currently, we're seeing a huge loss of revenue
14 in compared to -- I shouldn't say "loss of
15 revenue" -- inability to spend in compared to
16 where we wanted to be. There is a big gap in
17 the funding that we have and the need to spend
18 within our infrastructure.

19 We're estimating to be around 8.1
20 billion on an annual basis for our highway and
21 bridge program, and that's why we are focused
22 on this pathway, to be able to address some
23 portion of this need that we have through this
24 programs that we're introducing.

25 Again, it's introducing 2.2 billion

1 dollars worth of projects, with nine bridges
2 out there. It's going to address nine major
3 structures. And it's going to pay for it.
4 It's not coming out of our transportation
5 motor license fund and the transportation fund
6 that we typically spend on our highway
7 bridges. We are -- through this program,
8 we're going to be able to spread the money to
9 the other state and local bridges and highways
10 that are in much needed, because, as I've been
11 saying, the interstate system has been taking
12 a lot of our resources, as we have not spent
13 enough money and invest enough money in our
14 interstate system.

15 REPRESENTATIVE CEPHAS: Thank you,
16 Secretary.

17 Thank you, Chairman.

18 SECRETARY GRAMIAN: Thank you.

19 MAJORITY VICE CHAIRMAN TOPPER: The
20 chair thanks the lady and recognizes the
21 gentleman from Venango, Mr. James.

22 REPRESENTATIVE JAMES: Thank you,
23 Mr. Chairman.

24 Good morning, Madam Secretary.

25 SECRETARY GRAMIAN: Good morning.

1 REPRESENTATIVE JAMES: I'd like to
2 begin, please, with an issue that I think it
3 might be just in District 1, my district in
4 northwest Pennsylvania, although it may extend
5 over the entire commonwealth. I'll be brief.
6 A couple months ago, it came to my attention
7 that the district manager had informed
8 local -- the local municipalities and the
9 chambers of commerce that no longer would we
10 be able to use state roads for such thing as
11 5Ks, parades, street fairs, things of that
12 nature, which are fundraisers for local
13 charities and local chambers of commerce. And
14 the only possible route around that would be a
15 hold harmless, indemnity-type thing, which the
16 municipality would grant.

17 I'm wondering if that's true
18 statewide, and if it is, is there anything we
19 can do to soften that rule a bit to take care
20 of our constituents and our citizens.

21 SECRETARY GRAMIAN: Sir, were they
22 able to use -- are these state routes you're
23 referring to?

24 REPRESENTATIVE JAMES: I'm talking
25 about state roads. And for as long as I

1 remember -- and if look at me on the screen, I
2 can remember a long time -- these roads have
3 been used regularly for these events.

4 REPRESENTATIVE JAMES: Okay. Well,
5 I'll be happy to look into it. But I can
6 share with you that, you know, in accordance
7 with federal highway requirements, we can't
8 actually issue permits for special events on
9 the state routes, but it has to be evaluated,
10 and, you know, we coordinate with the locals.
11 But, typically -- and this came out -- this
12 issue was -- this issue came up during the
13 COVID-19, when we received a lot of special
14 event permits, to be able to -- for the
15 business owners to be able to use those
16 facilities.

17 REPRESENTATIVE JAMES: Let me
18 interrupt you. That made sense, but we're
19 coming out of other side of this COVID-19
20 thing, I believe, and if we can get waivers
21 granted for some of these people, who will
22 have insurance, such as a chamber of commerce
23 to make sure there's insurance, we'd
24 appreciate that very much.

25 But let me move on and ask another

1 question, if I may. Since you're on the board
2 of the Pennsylvania turnpike, I wonder if you
3 could address the issue of the recent
4 increases in tolling on the turnpike only and
5 what has been the effect of the travel, number
6 of cars and trucks using that facility, and
7 whether or not we anticipate continuing to
8 increase 5 and 6 percent a year on the
9 tolling. What do you anticipate the revenues
10 are going to look like?

11 SECRETARY GRAMIAN: So, to answer
12 your question, yes, there will be increase to
13 the tolling on Pennsylvania turnpike, and
14 that's due to the commitment that was made
15 under Act 44 for the turnpike to pay PennDOT,
16 initially it was in the order of magnitude of
17 1 billion. This was prior, when the state was
18 looking into tolling I-80. But when that
19 didn't happen, the amount was reduced to 450
20 million, which is under Act 44. So, this is
21 the Act 44.

22 Under Act 89, will expire, the
23 payment of the turnpike to PennDOT by 2022.
24 However, the debt for the turnpike is huge.
25 It's around 14 billion. A big portion of the

1 14 billion obviously is from the money that
2 the turnpike has been paying to PennDOT,
3 ultimately gets transferred into our public
4 transportation, the multimodal services and
5 public transportation that we talked about.
6 And as part of that act that was put together,
7 it was also agreed that, to make up and to be
8 able to make the debt payment, that the
9 turnpike will be increasing their totals
10 annually by 6 percent -- to -- up until, I
11 believe it's, 2045, but don't quote me on the
12 year. I can get you the exact number, the
13 exact year on how long they're going to be
14 increasing the toll rates. But that is all
15 tied together to the payment they've been
16 making to PennDOT, initially close to a
17 billion, now to 450, obviously it's going to
18 go down.

19 REPRESENTATIVE JAMES: Madam
20 Secretary, I understand why the revenues are
21 needed. My query was what is happening to the
22 revenue stream? Are people finding other
23 routes to go and avoiding the turnpike?

24 SECRETARY GRAMIAN: Well, they are --
25 there is -- obviously, it's hard to tell right

1 now because there is a combination of things
2 that's going on. COVID-19 has reduced traffic
3 numbers throughout the state. Obviously,
4 turnpike is seeing less of the traffic, too.
5 So, we can't say if the reduction of the
6 traffic -- it's not a huge reduction, if there
7 is any -- I'll be happy to get you the
8 numbers -- but it's hard to quantify if the
9 reduction is due to the COVID, less people are
10 commuting, myself included and many of our
11 colleagues, or it's because of the increase in
12 the toll.

13 I can tell you, sir, that people --
14 many people, a lot of people, actually
15 prepared to pay the tolls to have a smooth
16 ride. It's the best ride you can get on the
17 Pennsylvania turnpike. I have to give them
18 lot of credit for keeping the quality up
19 there, their roadways, and also keeping --
20 making sure it's safe and it's the fastest
21 alignment to go from one place to another.

22 But there are people who prefer not
23 to pay the tolls. They don't believe in
24 paying the tolls, and they take other routes,
25 and they have the time, they are not anxious

1 to get to any place, you know, any sooner, and
2 it's okay with them.

3 So, that's where we are.

4 REPRESENTATIVE JAMES: Okay. And I
5 thank you very much for that response.

6 SECRETARY GRAMIAN: Thank you.

7 MAJORITY VICE CHAIRMAN TOPPER: Chair
8 thanks the gentleman.

9 Madam Secretary, I know it's tough
10 virtually because you can't see our
11 red/yellow/green button system that we have,
12 but there might be a time, as we continue
13 later into the morning, if you hear me ask you
14 to wrap up your answer, that means we're
15 probably significantly over that time limit.
16 So, I don't want to be rude. It's hard when I
17 can't see you, but I just wanted to make you
18 aware that of that.

19 With that, the chair recognizes the
20 gentleman from Lehigh, Mr. Schweyer.

21 REPRESENTATIVE SCHWEYER: Thank you,
22 Mr. Vice Chairman.

23 Madam Secretary, thank you for your
24 candor, for your answers and your support.

25 You know, today's been interesting so

1 far, because we've had kind of a change in the
2 tone here a little bit. We've heard positive
3 things being talked about mass transit. In my
4 six and a half years now, or six-plus years,
5 as a member of the legislature, you know,
6 usually that doesn't happen, usually transit,
7 unfortunately, has been a one-sided, partisan
8 issue. Now there's been love on both sides of
9 the aisle for SEPTA, which is something that
10 is fantastic.

11 But for me, who doesn't live in the
12 SEPTA territory but lives in the LANTA
13 territory, I'd like to point out and remind
14 everybody that mass transit covers every
15 county in the Commonwealth of Pennsylvania,
16 not just the five counties in the southeast
17 and Allegheny County for the port authority.
18 And because of that, the concern that I have
19 and the mass transit systems both large,
20 small, media across the commonwealth have
21 about the long-term sustainability and funding
22 for our transit systems as a result of the
23 turnpike funding, you know, I'm concerned
24 about that. And we've talked about that
25 periodically through the last couple of years,

1 certainly since I've been on the
2 Appropriations Committee.

3 So, Madam Secretary, if you would,
4 could you give us some sort of idea -- I don't
5 think there's anything in this budget package
6 about either providing a -- no pun intended --
7 but an off-ramp from that funding or looking
8 to replace that funding for our mass transit
9 systems for across the commonwealth?

10 SECRETARY GRAMIAN: Sir, you're
11 referring to Act 44?

12 REPRESENTATIVE SCHWEYER: Yes.

13 SECRETARY GRAMIAN: Okay. You're
14 absolutely right. Again, as I mentioned
15 earlier, this PennDOT pathway program is also
16 a comprehensive funding plan to address the
17 replacement of Act 44. And what we've done so
18 far -- and it's work in progress -- is we are
19 actually working with our partners, the
20 southeast mobility partner, the southwest
21 mobility partner. I don't know if you had a
22 chance to look into the report they put
23 together. This was years' worth of work and
24 working with the partners in the southeast and
25 southwest who are being impacted by this Act

1 44, developing the reports with multiple
2 alternatives.

3 Additionally, reaching out to --
4 we've reached out, I should say, to the
5 planning partners in southeast. We reached
6 out to DVRPC to see what other thoughts and
7 suggestions they have. There are some
8 statewide solutions to that. And there are
9 some regional solutions to that.

10 At the end of the day, you know, what
11 we can do is provide a menu of the options
12 that's out there and see, you know, what folks
13 have appetite for. I mean, we wanted to work
14 with the legislators. We wanted to work with
15 the partners in southeast, southwest
16 throughout the state, you know,
17 representatives from all areas, to make sure
18 that we do have a funding solution.

19 Act 44, when it expires, according to
20 law, the replacement of the funding should
21 come from sales tax, vehicle sales tax. But,
22 right now, that is not available. It's being
23 spoken for to other sources and other spending
24 and part of the general fund. So, we're very
25 concerned about what's going to happen.

1 REPRESENTATIVE SCHWEYER: I
2 understand, Madam Secretary, that vehicle
3 sales tax is supposed to be the follow-up
4 money, but, candidly, it's really just part of
5 the general fund. You know, it was a way to,
6 I guess, perhaps provide long-term
7 sustainability, sustainable funding. But,
8 candidly, that's really just 350 million
9 dollars, whatever the dollar figure ultimately
10 is, that would come out of our general fund.
11 So, whereas we talk about that as dedicated
12 funding, it really isn't. It's just money out
13 of our general fund.

14 SECRETARY GRAMIAN: Correct.

15 REPRESENTATIVE SCHWEYER: However,
16 you know, you mentioned local options there.
17 We've heard a number of questions today about
18 decisions about tolling various bridges, and,
19 you know, the kind of impact that that may
20 have. I mean, I -- call me a skeptic, but
21 before I was ever elected to the House, there
22 were a number of people that supported that as
23 a way to come up with a funding solution that
24 doesn't necessitate perhaps the legislature
25 being involved in those conversations because

1 of our general lack of -- I don't want to say
2 concern -- avoidance of providing funding
3 solutions for the stuff that we all want.
4 Pushing a transportation solution off onto
5 local governments, when they all -- every
6 county already funds our local transit
7 systems, is not going to be a viable solution.
8 That is us pushing our responsibility onto the
9 locals.

10 Last question, and I only have thirty
11 or thirty-five second left, but since you
12 can't actually see, I'm going to guess you
13 have a minute. If you could mention, has
14 there been any talk within the department
15 about consolidation of the smaller transit
16 systems?

17 SECRETARY GRAMIAN: There's been some
18 talks. And there's been conversations going
19 on. But nothing has been finalized. And if
20 there is any changes, definitely we will get
21 you engaged, and we are working with the
22 transit agencies. Obviously, we wanted to
23 make sure, if there is any consolidation, that
24 we're not taking any services away. And any
25 savings from the consolidation is going to go

1 back into servicing the public.

2 REPRESENTATIVE SCHWEYER: There would
3 be employee issues to keep in mind with that
4 as well. But I'll leave it at that, Madam
5 Secretary.

6 Mr. Vice Chairman, thank you, sir.

7 MAJORITY VICE CHAIRMAN TOPPER: The
8 chair thanks the gentleman, recognizes the
9 gentleman from Lancaster, Mr. Greiner.

10 REPRESENTATIVE GREINER: Thank you,
11 Mr. Chairman.

12 Thank you, Madam Secretary, for being
13 here.

14 I want to follow up on what we've
15 talk about the P3, you know, project and
16 bridge program, and my colleague from Delaware
17 County a while ago -- you were starting to
18 explain the process. I think we need a major
19 bridge/P3 101 class here. You had mentioned
20 that this -- this project would generate 2.2
21 billion dollars in investments across the
22 commonwealth. Now, just help me understand
23 this. You were explaining to my colleague --
24 you were explaining to her that we have groups
25 of businesses, contractors working together,

1 that PennDOT has no money invested in this at
2 all, is my understanding. That they have all
3 the investment.

4 My understanding is that PennDOT will
5 maintain ownership of these roads, but, yet,
6 there'll be a contract, maybe thirty years,
7 where, the contractor's going to be
8 responsible for the maintenance and the
9 upkeep.

10 I guess a few questions. With my
11 background as a CPA, I'm trying to figure out
12 the accounting here. How do the contractors
13 make their money? How does that work over a
14 period of thirty years? How do they get paid?
15 How does that work up front to start with?
16 And then, how did you determine -- how do we
17 determine what the level of tolling -- how do
18 you determine what that would be per bridge?

19 I guess, in addition to that, I want
20 to know how much revenue is going to be
21 generated. And I had another colleague of
22 mine, he had made a comment that that extra
23 money will go into the general fund, but I
24 don't -- I want to clarify that. I think it
25 goes into a restricted fund -- I think you

1 even mentioned that -- for bridges only, not
2 necessarily the bridge that's tolled, but the
3 other ones throughout the state.

4 So, I wanted to maybe get an idea of
5 the accounting -- the accounting of the money,
6 how the contract is made, and those details,
7 if possible.

8 SECRETARY GRAMIAN: Thank you for
9 asking that question, sir. And I didn't have
10 a chance to -- actually to address the comment
11 that you're colleague made, but this is an
12 opportunity for me.

13 So, let's start with how this program
14 is going to work. PennDOT is going to go into
15 an agreement with a development entity to
16 design, build, finance, operate, and maintain
17 those bridges within the package. And there
18 might be two development entities going after
19 these nine bridges. And we are going to
20 bundle them and distribute the work.

21 The way this program is being paid
22 is -- or actually I should say it's funded --
23 is through the toll revenue. This program is
24 designed to raise revenue, to address the
25 state's -- you know, obviously the need of

1 this project, and it's going to -- the way
2 we're going to figure out the tolling amount
3 is, we figure out the cost of the
4 reconstruction of these projects, design of
5 the projects, how much it's going to cost for
6 the entity to maintain the projects for a
7 period of thirty years, how much it's going to
8 cost to collect the tolls. There's going to
9 be the back-office operations for toll
10 collection, which we're going to rely on
11 Pennsylvania turnpike -- we're partnering with
12 them for the back office operations. So, all
13 of these costs of administration, design,
14 construction, maintenance, is going to be part
15 of the cost.

16 The other thing that we will consider
17 is there's going to be a reserve fund, because
18 we wanted to make sure, if something happens
19 to any of these structures, that there is some
20 money allocated on the site that could be
21 addressed. Let's say there is flooding, let's
22 say there is another COVID situation, God
23 forbid, and we lose some revenue that we were
24 counting on, so we wanted to make sure that,
25 at any given point, that this program is

1 solvent and it can pay for itself.

2 And based on the total number that we
3 come up with of the entire cost over the life
4 of project, we will figure out the tolling and
5 also the traffic that uses this program, that
6 goes over the bridges. We will figure out the
7 tolling. And, again, initial calculations, we
8 wanted to make sure the toll is not going to
9 increase over a certain amount, it's within
10 certain amount.

11 Now, if there's any -- putting all
12 this cost together, if there is any excess
13 revenue, it will go back into this system. It
14 will go back into the districts as well as the
15 planning partners. It will not go into
16 general funds. I want to clarify that. It
17 will not go into general funds. We cannot
18 take the money from the tolling and put it
19 into general funds. We are not allowed to do
20 that under the P3 law or the Section 129,
21 which is tolling the bridges.

22 Now, there may be --

23 REPRESENTATIVE GREINER: I'm almost
24 out of time. I appreciate that.

25 But let me just ask, so, it's not

1 necessarily a breakeven, but we are generating
2 revenue. Do you have an idea of what the
3 average total revenue will be generated over
4 that thirty-year period? Do you have an
5 estimate of that?

6 SECRETARY GRAMIAN: Average monthly?

7 REPRESENTATIVE GREINER: My original
8 question included, do we know what the total
9 revenue generated annually would be. I know
10 early on it might not be as much revenue, but
11 if you annualize it, do we know how much
12 revenue the state's going -- how much revenue,
13 how much profits --

14 SECRETARY GRAMIAN: Sure. We will
15 know that. We will know all those numbers,
16 because the contractor or the development
17 entity is going to get paid through
18 availability payment, which is the money that
19 we're going to collect from the tolling, and
20 we make -- going into an agreement that we
21 will make certain payments annually or maybe
22 biannual -- I don't know how the agreement is
23 going to be formed -- but we're going to make
24 payments to the development entity based on
25 the revenue we collect from the tolls. And we

1 should have all that information once
2 everything is finalized, with our traffic and
3 revenue and the cost of the project.

4 SECRETARY GRAMIAN: Thank you, Madam
5 Secretary.

6 Thank you, Mr. Chairman.

7 MAJORITY CHAIRMAN SAYLOR:
8 Representative Steve Kinsey.

9 REPRESENTATIVE KINSEY: Thank you,
10 Mr. Chairman.

11 And good afternoon, Madam Secretary.

12 Madam Secretary, earlier you
13 mentioned your concern as it related to Act
14 89, which sunshines in 2022, I believe. You
15 also talk about the loss of revenue -- over a
16 loss of revenue as well as the lack of
17 ridership on public transportation. And I
18 agree with your assessment that long-term
19 sustained investments is critical for our
20 communities to thrive and for residents to be
21 supported.

22 In 2020, you created the Office of
23 Alternative Funding. Madam Secretary, can you
24 speak towards the progress of that office that
25 you created?

1 SECRETARY GRAMIAN: Yes. So, this
2 PennDOT Pathway program is the program that
3 was initiated under this Office of Alternative
4 Funding. And the first project out of the
5 office or out of the program is the PennDOT P3
6 bridge program.

7 REPRESENTATIVE KINSEY: And in
8 regards to recognizing that it just started in
9 2020, has there been any type of cost savings
10 or any development regards to savings or
11 additional funding that you foresee that's not
12 coming in the general assembly or the federal
13 government?

14 SECRETARY GRAMIAN: So, as we call
15 it, sir, this is an alternative funding
16 initiative. And it's an alternate to the
17 normal sources of funding that we are
18 receiving, which is the motor license fund,
19 gas tax, and the fees. And we are considering
20 other options.

21 I mean, the first one is this P3
22 bridge project, which is going to be
23 completely paid through availability payment
24 from the toll revenue. We will evaluate other
25 options, such as managed lanes, construction

1 lanes, congestion pricing -- I'm sorry. There
2 is going to be fees that will be included, and
3 I mentioned earlier, you know, the different
4 kinds of programs will be considered to
5 address the transit funding that we need. But
6 the first item that came out of this office is
7 how to pay for the big need that we have on
8 the highways and bridges.

9 REPRESENTATIVE KINSEY: Great. And I
10 appreciate you sharing that, Madam Secretary.

11 I want to jump to something else. I
12 believe that yesterday PennDOT issued a memo
13 that stated that expiration dates on
14 commercial driver license and commercial
15 learner permits have been extended and that
16 the final extension is March the 31st, 2021.

17 My question to you, Madam
18 Secretary -- you may not necessarily have this
19 information with you -- but can you tell me
20 roughly how much money we generate by the
21 renewal of commercial licenses and
22 registration on a yearly basis?

23 SECRETARY GRAMIAN: Sir, I can't give
24 you the exact number. You're asking about
25 commercial licenses. All I know is 75 percent

1 of our funding comes from motor license fund,
2 and the rest is registrations and licenses and
3 other fees.

4 REPRESENTATIVE KINSEY: Okay.

5 SECRETARY GRAMIAN: Yeah.

6 REPRESENTATIVE KINSEY: Madam
7 Secretary, no, that's fine. I appreciate
8 that. I wasn't sure we had that information.

9 But the reason I'm bringing this up
10 is there is bipartisan legislation -- and
11 really this is not really for you but it's
12 also for my colleague to understand this --
13 there is bipartisan legislation that was just
14 introduced in which -- in which we have
15 Democrats and Republicans who have signed on
16 to this legislation that would extend the
17 expiration date of some of the PennDOT
18 products. Instead of -- and, again, I
19 appreciate what the administration has done in
20 regards to the extension, and this wasn't the
21 first extension. But, you know, we're looking
22 to extend the PennDOT products for ninety days
23 after the conclusion of not just this
24 governor's declaration of disaster emergency
25 but any governor's future declaration of

1 disaster emergency.

2 And the reason I asked the question
3 about how much money we generate, I recognize
4 that with the -- dealing with this pandemic,
5 that we, as a state, are concerned about the
6 revenue that's coming in, but I think, more
7 importantly, we also have to be concerned
8 about the businesses that operate in the state
9 of Pennsylvania as well as the citizens who
10 live here and don't want to put any type of
11 undue financial pressure on any individual
12 because of a pandemic that was not of their
13 call.

14 So, I'm looking forward to working
15 with the administration, and as I mentioned,
16 this is a bipartisan effort to extend PennDOT
17 products as it relates to commercial driver's
18 license, commercial renewal, and registration.
19 But, again this is a bipartisan product. This
20 is a bipartisan effort to extend these
21 products. And first and foremost, I think
22 that we need to be concerned with the health,
23 safety, and welfare of our citizens as well as
24 the vitality of our businesses going forward.

25 So, we look forward to working with

1 the administration on legislation like this.

2 So, thank you, Madam Secretary.

3 SECRETARY GRAMIAN: Thank you, sir.

4 MAJORITY CHAIRMAN SAYLOR:

5 Representative O'Neal.

6 REPRESENTATIVE O'NEAL: Thank you,

7 Mr. Chairman.

8 Thank you, Madam Secretary, for being
9 here.

10 I just want to go back to the P3
11 bridge tolling and, just a point of
12 clarification from the previous question on
13 it. Do we have a projection of total revenue
14 through this tolling program? I was a little
15 unclear by your previous answer.

16 SECRETARY GRAMIAN: Total revenue --
17 well, when you say "a projection of total
18 revenue," this program is going to generate
19 around 2.2 billion dollars, somewhere of
20 2.2 billion dollars worth of --

21 REPRESENTATIVE BRIGGS: And that's
22 annually, Madam Secretary?

23 SECRETARY GRAMIAN: No, it's a
24 one-time. It's for this program, for this
25 group of nine bridges. And it will generate

1 2.2 billion of funding to pay for these nine
2 bridges.

3 REPRESENTATIVE O'NEAL: Okay. So,
4 2.2 billion over the course of the thirty
5 years -- do I understand that correctly?

6 SECRETARY GRAMIAN: Well, the way the
7 program is going to roll out is, we're hoping
8 to go into construction in 2023, and this is
9 when we're going to see a lot of work coming
10 into -- I know, to the market on the
11 construction side, on the labor side, on the
12 supplier side. There's going to be a lot of
13 design work between now and then for the
14 consultant side.

15 As you know, PennDOT spends 75
16 percent of their -- of its revenue on the
17 private side of the business. 75 percent of
18 PennDOT's revenue go out actually to the
19 contractors, to consultants, to suppliers.
20 So, this is an additional 2.2 billion that,
21 over a period of -- and we think the program
22 is going to get completed, in terms of
23 construction, within three to four years. So,
24 let's say, if the program starts, goes into
25 construction in 2023, we're hoping that all

1 bridges are constructed by no later than 2026.
2 And that's a good amount of work for the
3 industry between now and then.

4 REPRESENTATIVE O'NEAL: I would
5 certainly agree with that as well.

6 So, when we talk about these
7 development entities and the contractors that
8 are going to end up doing this construction
9 work and the maintenance work, are there
10 any -- is there any consideration or have we
11 gone down the path, are we going to restrict
12 this to Pennsylvania entities? Are we going
13 to give preferential to Pennsylvania entities
14 to do this work?

15 SECRETARY GRAMIAN: We can make sure
16 that there is going to be local contractors --
17 this type of program, sir, usually the P3
18 programs, they're all being completed and
19 constructed through the local contractors. As
20 you know, the one we just wrapped up, the
21 Rapid Bridge Replacement, actually employed
22 over forty to fifty contractors to get the
23 projects completed.

24 Typically, the development entity,
25 they don't have their contracting crew or even

1 designers. They solely rely on the local
2 resources to get the projects done, not just
3 for the construction part of it, but also over
4 the period of thirty years, for the
5 maintenance, they're also going to rely on the
6 local contractors to get it done for them.

7 REPRESENTATIVE O'NEAL: Right. Thank
8 you for that. And I think that's a pretty
9 important component of this, to ensure -- if
10 we're going to go down this route to toll
11 these bridges and affect the local communities
12 through this tolling, that we're also focusing
13 on ensuring that this is supporting
14 Pennsylvania jobs as well.

15 You know, specifically talking about
16 that tolling, you know, one of the issues I
17 think I have locally -- and, you know, I'm
18 from the southwest region, so the Bridgeville
19 bridge over Route 50, I believe is, will
20 certainly impact my district and my
21 constituents. And one of the major issues
22 that I see with this concept is really that,
23 from my understanding, the tolling is to begin
24 when construction begins in 2023. So, my
25 constituents, if they're driving to the city

1 of Pittsburgh, will have to pay a toll, both
2 north and southbound on I-79, for the
3 privilege of driving through a construction
4 zone for three to four years.

5 What's your response to the local
6 community as local commuters have to incur
7 these costs simply to -- to put up with
8 additional traffic, additional construction
9 traffic?

10 SECRETARY GRAMIAN: Yeah. That's an
11 excellent question, sir. It's a very fair
12 question.

13 And I tell you, first of all, nothing
14 is final yet, nothing is definite. We
15 don't -- typically, this is how it goes.
16 Typically, we're allowed to toll the
17 infrastructure, the bridge, as soon as we go
18 into construction. We can put up the toll
19 booths -- not the booths -- the toll gantries,
20 I should say, and start collecting tolls. We
21 are, by law, able to do this, Section 1129.
22 However, we are also very concerned about the
23 concerns that we hear, and we got to take that
24 into consideration.

25 So, we are going to look into, first

1 of all, whether it's going to be feasible to
2 put the toll gantry. The other thing that's
3 really important to us is, as I mentioned,
4 many times we wanted to make sure that the
5 toll rates are being kept in a reasonable
6 range. We don't want it to impose a large
7 toll the people. And that's another thing
8 that comes into consideration. If you start
9 tolling earlier, the rate is going to be kept
10 lower. And that's why the federal government
11 is encouraging that if you can start tolling,
12 collecting tolls, at the beginning of the
13 construction, you can keep the rates lower.

14 So, that's another thing we need to
15 consider. Okay. How much is going to impact
16 the toll rate if we delay the collection of
17 the toll. If it's like ten cents, twenty
18 cents, not much, it's not going to have a huge
19 impact on the commuters, then maybe that's a
20 different story.

21 So, all these factors will be
22 considered when we are actually doing the
23 evaluation of when and how much and where to
24 put the gantries.

25 REPRESENTATIVE O'NEAL: Thank you,

1 Madam Secretary. Looks like I'm out of time.

2 You know, one of the things I was
3 hoping to get to is really just to talk about
4 funding alternatives, and hopefully you're
5 willing to work with the general assembly to
6 consider all options before we toll our
7 constituents.

8 Thank you.

9 SECRETARY GRAMIAN: Thank you.

10 MAJORITY CHAIRMAN SAYLOR: Our next
11 questioner is Representative Brown, from
12 Philadelphia.

13 REPRESENTATIVE AMEN BROWN: Thank
14 you, Mr. Chairman.

15 And thank you, Secretary, for being
16 with us today.

17 I want to start off by reading a
18 quote from the Department of Transportation's
19 mission statement. It says: Enhance,
20 connect, and add value to our communities by
21 providing a sustainable, equitable
22 transportation system and quality services for
23 all.

24 So, in my district, we get a lot of
25 seasoned citizens, which is senior citizens,

1 but I like to call them seasoned citizens.
2 They come into our offices, and they have
3 complaints about paying both the driver's
4 license fee and then also the REAL ID fee.
5 And that cost is roughly around sixty-eight
6 dollars.

7 So, the first question is, what is
8 your department doing to make REAL ID
9 accessible and affordable?

10 SECRETARY GRAMIAN: So, your citizens
11 don't have to get both. They can get one or
12 the other. If they wanted to use their I.D.s
13 to travel domestically, we would encourage
14 them to get the REAL ID, because then they
15 don't have to carry their passports or other,
16 you know, proof of I.D. that's required for
17 domestic travels. They don't have to get
18 both.

19 If they do have the driver's license
20 and they do want to get a REAL ID, what's
21 going to happen is, when they -- when we issue
22 them the REAL ID, the cost of it -- sorry, not
23 the cost -- but the amount of time left under
24 driver's license will be added to the REAL ID.
25 So, if they had three years left on their

1 driver's license, with the REAL ID, they're
2 going to have another three years added to
3 their time. So, that's the option.

4 Now, the other question is -- so,
5 what was the other question, sir? I'm sorry.

6 REPRESENTATIVE AMEN BROWN: So, the
7 question -- well, that question was, what is
8 your department doing to make it accessible
9 and affordable. I know there's a lot of
10 paperwork involved with the REAL ID.

11 SECRETARY GRAMIAN: There is a lot of
12 paperwork involved in the REAL ID. There is a
13 lot of systems change involved with REAL ID.
14 We did not get any guidance from the federal
15 government how much to charge for the REAL ID.
16 It varies from state to state. Some states
17 charge much less than what we are, and some
18 states charge much more than what we are. So,
19 we kind of took the path in the middle. And,
20 honestly, the amount that we're charging
21 doesn't cover all the costs to the department,
22 because, as I mentioned, you know, Homeland
23 Security requires -- Department of Homeland
24 Security requires certain strengthening
25 improvement to our system for security

1 reasons. So, we try to find a middle path
2 here on how much we are charging our citizens
3 for REAL ID.

4 REPRESENTATIVE AMEN BROWN: Okay.
5 Thank you.

6 Next question is, how does your
7 department work with the Department of Aging
8 about how this fee might possibly negatively
9 affect seniors in Pennsylvania?

10 SECRETARY GRAMIAN: You're referring
11 to the REAL ID fee, sir?

12 REPRESENTATIVE AMEN BROWN: Yes. Or
13 just any fees.

14 SECRETARY GRAMIAN: We do collaborate
15 quite often with the Department of Aging as
16 well as Human Services on a number of
17 different programs that we have. We recently
18 completed the program that was enacted for the
19 homeless I.D., which went into effect on
20 January 25th. We're very proud of that.

21 With regards to REAL ID and how we're
22 going to work with the Department of Aging, we
23 really haven't come up with any plan to reduce
24 the fees for senior citizens.

25 REPRESENTATIVE AMEN BROWN: Okay.

1 And so, based on the PA State Data Center's
2 2017 detail population estimate report, 2.2
3 million people in Pennsylvania that are
4 sixty-five and older, so the cost for housing,
5 food, and services continue to rise in
6 Pennsylvania and around the country.

7 Could you give us -- could you give
8 us, as legislators, suggestions on actions
9 that we can take to address how REAL ID
10 requirement costs affect the older
11 Pennsylvanians living on fixed incomes?

12 SECRETARY GRAMIAN: So, with regards
13 to REAL ID, sir, I currently don't have any
14 solution to offer, to be honest with you. But
15 I can tell you, we have a lot of consideration
16 of the senior citizens through the public
17 transit system that we are providing for them,
18 our shared-ride, fixed route. There is all
19 kinds of programs for senior citizens that
20 would reduce the burden on them. I mean, we
21 realize it's a burden, and -- especially
22 during COVID-19, we went out of our way,
23 making sure that those folks who are actually
24 relying on the public transit can continue
25 using the services. We put special hours for

1 them. We made sure that we're in touch with
2 them and making sure that our -- needs are
3 being met.

4 We even made some changes, working
5 with our partners on the shared rides. They
6 did things that, you know, they typically
7 don't do but they wanted to accommodate that.
8 So, these are some of programs that we tried
9 to -- I mean, not tried, we've actually put in
10 place to assist the senior citizens with the
11 needs.

12 REAL ID, I haven't come up with any
13 solutions yet, but I'm glad you're bringing it
14 up. We can certainly look into it and see
15 what we can do about.

16 REPRESENTATIVE AMEN BROWN: All
17 right. Thank you. My time is up.

18 Thank you, Mr. Chairman.

19 Thank you, Madam Secretary.

20 SECRETARY GRAMIAN: Sure.

21 MAJORITY CHAIRMAN SAYLOR: Next
22 questioner is Representative Doyle Heffley.

23 REPRESENTATIVE HEFFLEY: Thank you,
24 Chairman.

25 And thank you, Madam Secretary, for

1 testifying today.

2 I have a couple of questions
3 regarding the -- I mean, this is a huge shift
4 for the state of Pennsylvania to go to the
5 tolling of these selected nine bridges. And
6 I'm very concerned, as a previous -- my
7 colleague had mentioned about the impact of
8 any types of tolls or increases, whether it be
9 licenses or registrations, on those on fixed
10 incomes and those that may have a tough
11 ability to pay.

12 So, we are looking at tolling these
13 nine specific bridges in certain lanes, right?
14 I think Route 80, I think there's three
15 bridges that you're targeting on Route 80 and
16 one on I-78. Has there been studies done as
17 to what that impact will have on businesses,
18 manufacturers that operate in there? So, what
19 would be the cost estimate for, say, a tractor
20 trailer or a vehicle to drive over one of
21 these bridges in one way? And I'm assuming
22 the tolling would be in both directions, east
23 and west?

24 SECRETARY GRAMIAN: Correct. Well,
25 for most part, but we haven't finalized it,

1 sir.

2 REPRESENTATIVE HEFFLEY: Okay. And
3 that's going to be up to the person who
4 essentially -- I mean, they're going to -- the
5 private partnership will essentially own these
6 bridges. I voted for the P3 bill several
7 years ago, never with the intent to allow this
8 type of activity under the P3, when we voted
9 for the P3 bill that I understand the
10 legislative intent was projects similar to
11 what we have many Virginia around the beltway,
12 Washington, D.C., where a company will come in
13 and put in maybe additional express lanes and
14 charge a toll optional. I never intended to
15 toll these bridges.

16 So, it's a thirty -- it will be a
17 thirty-year toll that will be on the bridge?

18 SECRETARY GRAMIAN: Yes. The toll
19 will be for thirty years. And once the
20 project -- that's going to be the life of the
21 contract with the development entity, which is
22 thirty years. After thirty years, PennDOT
23 is -- does not have the authority to collect
24 tolls. Therefore, you know, whether there's
25 going to be a change in the legislation to

1 allow and enable PennDOT to continue
2 collecting tolls and it will be continued as a
3 toll facility or are we going to another
4 agreement for the maintenance with another
5 private entity, that's how the tolling can
6 continue. Otherwise, after thirty years,
7 PennDOT is not going to be able to collect any
8 tolls.

9 REPRESENTATIVE HEFFLEY: I mean, I'm
10 really very concerned and disheartened by this
11 proposal. I know back before my tenure, Act
12 44 was passed, and what that legislation
13 ultimately did was bury the Pennsylvania
14 turnpike in 14 billion dollars in debt, that
15 myself and my children and my grandchildren
16 will be paying for to subsidize mass transit
17 agencies. And I understand the need certainly
18 for mass transit, and I'm not saying we don't
19 have to figure out a system for that, but to
20 try to put all that burden on the turnpike and
21 the ridership on there and the toll increases,
22 and I see the same type of scheme right now
23 playing out again.

24 What kind of economic impact study
25 has been done in those corridors where these

1 tolls are going to be put on? I mean,
2 obviously, those costs are going to be --
3 those costs are going to be transmitted to
4 who's ever receiving the product or the person
5 who is commuting. So, what kind of economic
6 impact is that going to have in the
7 communities that rely on these corridors where
8 these bridges are tolling? What studies have
9 been done?

10 SECRETARY GRAMIAN: Yes. So, that's
11 a great question, sir. And the answer is, we
12 are actually in the process of ruling out a
13 NEPA study, which is a National Environmental
14 Policy Act, and that -- this study will
15 evaluate the impacts on many aspects of this
16 project through tolling as well as
17 reconstruction of it. We will evaluate all
18 the environmental impacts --

19 REPRESENTATIVE HEFFLEY: But what
20 about jobs, jobs and the economy? Obviously,
21 we have -- we're looking at, you know, a
22 proposal for a massive PIT increase, an energy
23 tax increase, a natural gas increase, a
24 tolling increase. In the meantime, people are
25 shut out of work. Their places of business

1 where they would work at, a lot of them closed
2 down, and they're hurting.

3 So, what about these manufacturers?
4 What about the dairy farmers in these areas
5 that rely on the shipment of their product to
6 go to market? So, you're going to -- if
7 you're looking at two tolls, it could be up to
8 forty dollars round trip in additional fees.
9 Who's going to absorb that? What kind of
10 study has been done to say that maybe people
11 in New York and New Jersey are going to buy
12 their dairy from elsewhere because of these
13 tolls?

14 I mean, has there been a thorough
15 economic study before this proposal was rolled
16 out? I'm waiting for a study. This is going
17 to have a tremendous impact on everybody,
18 whether it be in the I-95 corridor or the I-80
19 or I-78, on the farmers, the manufacturers,
20 and every working-class resident in this
21 commonwealth. I just don't think it was very
22 well thought out.

23 It's nice to say 2.2 billion dollars
24 in a financial -- looking at the money, but
25 the impact -- because we're going to -- the

1 Pennsylvanians are going to be paying that
2 tax, and they're going to be losing their
3 jobs.

4 Thank you.

5 SECRETARY GRAMIAN: May I answer that
6 question, sir?

7 MAJORITY CHAIRMAN SAYLOR: Sure,
8 Madam Secretary, you may answer.

9 SECRETARY GRAMIAN: Yeah. Well, one
10 thing the gentleman doesn't consider is the
11 economic impact if we don't do anything.
12 These bridges are not in a safe condition.
13 And there is thousands and thousands of, as
14 you mentioned, trucks -- dairy trucks,
15 manufacture trucks, e-commerce -- going over
16 the bridges, not to mention the public that
17 are using these bridges. These bridges, all
18 of them almost, except for Girard Point, are
19 coming to the end of their life expectancy.
20 The money that we're spending year over year
21 to maintain these bridges in the state of good
22 repair is exuberant. It's huge. It's a huge
23 drain on our revenue.

24 We take that money and put it into
25 your local system and your roadway system.

1 This is important. The safety of the people
2 is our responsibility.

3 Thank you.

4 MAJORITY CHAIRMAN SAYLOR: Thank you,
5 Madam Secretary.

6 Our next questioner is Representative
7 Torren Ecker.

8 REPRESENTATIVE ECKER: Thank you,
9 Mr. Chairman.

10 And thank you, Madam Secretary, for
11 being here.

12 I'm going to shift gears here a
13 little bit and just want to talk about the
14 economic impact of some of the widespread
15 construction closures that happened last --
16 last spring. Specifically, we know the
17 construction industry was shut down for
18 approximately seven weeks, maybe even a little
19 longer once we got things up and running,
20 which obviously impacted transportation
21 construction.

22 My question for you, Madam Secretary,
23 is what impact did this have on some key
24 projects? We're talking a lot of bridge
25 construction today. What major setbacks did

1 that long-term closure by the governor cause
2 PennDOT?

3 Well, sir, initially, we were
4 obviously very concerned that we stopped the
5 construction, but we were also very concerned
6 about the safety of the public, the people --
7 the contractors and the construction workers
8 as well as our own people who are going to be
9 on the sites. And we actually partnered with
10 the industry to come up with ways to address
11 the concerns and the type of protocols that we
12 need to put in place to make sure we create a
13 safe environment for everyone.

14 We started the construction of the
15 emergency projects immediately, within two
16 weeks. And in six weeks, all construction
17 projects resumed their activities and they
18 were back into construction. The costs that
19 we saw as a result of that was less than .5
20 percent of the total cost of all these
21 projects. But, in the grant scheme, we
22 actually have very many success stories ever
23 since the construction began in terms of
24 seeing the COVID-19 cases at the construction
25 site.

1 REPRESENTATIVE ECKER: Madam
2 Secretary, if I may, just as a quick
3 follow-up -- or maybe I should have asked this
4 first -- before those closures, did you have
5 any conversations with the governor about the
6 closing of the construction industry and its
7 impact?

8 SECRETARY GRAMIAN: I did. Not
9 before, but after we received the Executive
10 Order, I did have conversation with the
11 governor. When we were getting ready to
12 resume the construction projects, I actually
13 talked to the governor, and I said, These are
14 measures that we've taken, and we feel
15 comfortable to make sure that the folks who
16 are working at the sites are being -- you
17 know, following the protocol that takes care
18 of them and they're safe.

19 REPRESENTATIVE ECKER: Great. And
20 that's -- I'm glad you had those conversations
21 afterwards. But it sounds like you didn't
22 have them prior. Is that what you're saying?
23 Prior to the shutdowns.

24 SECRETARY GRAMIAN: Prior to the
25 shutdowns, no.

1 REPRESENTATIVE ECKER: And then
2 finally, Madam Secretary, I just want to ask
3 the question, again, going back to kind of the
4 costs of the shutdowns, was PennDOT or the
5 Commonwealth forced to pay any kind of
6 penalties or late fees or, you know, because
7 contracts weren't completed? I think you kind
8 of addressed this. But just specifically any
9 delay costs that were associated with the
10 shutdowns?

11 SECRETARY GRAMIAN: So, I have to say
12 something, sir, that the fact that the traffic
13 numbers are down helped the industry and they
14 expedited their schedule. They managed to get
15 more work done during these last nine months
16 or so. So, in terms of the schedule, they
17 were not -- not much of a delay, if anything.

18 Obviously, there were some cost
19 associated with the shutdown because, you
20 know, they had people, they had to mobilize
21 and demobilize. And there were some costs
22 that they incurred because they stopped and
23 they started, and then, you know, with the
24 personnel side and other stuff that, you know,
25 the materials being ordered or put on hold.

1 And -- but in the grand scheme, it wasn't a
2 huge deal, no.

3 REPRESENTATIVE ECKER: Thank you for
4 your time, Madam Secretary.

5 MAJORITY CHAIRMAN SAYLOR: Next is
6 Representative Rosemary Brown.

7 REPRESENTATIVE ROSEMARY BROWN: Thank
8 you, Mr. Chairman.

9 And thank you, Madam Secretary, for
10 all of your good work.

11 Obviously there's been a lot of talk
12 today about highways and bridges and revenue
13 streams, which is the reality of what we're
14 dealing with, especially with the COVID-19
15 situation. But a lot of the calls that I
16 receive and a lot of the conversations we have
17 back in the district offices also are
18 regarding three-digit and four-digit state
19 roads. And I know you mentioned just a couple
20 questions ago about revenue and money being
21 able to go down into the county offices.

22 And my concern really is where are we
23 at, what do you expect to be the funding level
24 streams to the county maintenance offices? I
25 mean, between paving and lines and potholes,

1 all the things that people drive every day,
2 where do you see us at with that? And what
3 are the expectations?

4 SECRETARY GRAMIAN: That's a great
5 question. Thank you so much.

6 And I have to tell you, as I said
7 earlier today, you know, the revenue on the
8 maintenance side hasn't been growing; it's
9 flat. But we ended up spending 240 million
10 dollars less between last fiscal year and this
11 fiscal year investment into our maintenance
12 budget. And part of it is because the revenue
13 was not there, and we lost the revenue.

14 And -- but what we managed to do is, we
15 actually looked into our maintenance program,
16 we wanted to do more. We want to do some
17 major preservation work on some of these local
18 roads, roads with lower number of traffic,
19 but, unfortunately, we weren't able to do it.
20 And we have to manage the activities and the
21 work that we were doing on the maintenance
22 side to match the budget that we had.

23 So, you know, we tried to take care
24 of all the maintenance work, as much as
25 possible, but we'd still like to do more. I

1 mean, we have over 20,000 miles of local roads
2 that are state-owned and haven't been
3 reconstructed for over, I should say, twenty
4 years. This is a major need that we have.
5 And part of the reason, actually,
6 Representative, that we're doing this Pathways
7 program, the bridge P3 program, is to be able
8 to shift some of the money that we're
9 currently spending on our interstate system
10 into our local roads as well as state routes.
11 I heard numerous times from your colleagues
12 about their concerns on some of these other
13 major state highways that are not seeing
14 enough attention in terms of investments.

15 So, this is really a big reason that
16 we are actually pushing this P3 bridge
17 program, to be able to disperse and spend the
18 money on other systems.

19 REPRESENTATIVE AMEN BROWN: Thank
20 you, Madam Secretary.

21 Also, and then continuing with that,
22 have there been more conversations -- I know I
23 have asked previously when you were not into
24 your position regarding the formulas used to
25 distribute those dollars to our local county

1 maintenance offices. There has been some
2 conversations about those formulas not taking
3 everything into account.

4 Are you aware of that and is there
5 any work being done on that?

6 SECRETARY GRAMIAN: Yes, I am aware
7 of it. I remember you were -- that was your
8 concern last year. And we heard your concern,
9 and actually we've put a team together at
10 highway administration, and we're looking into
11 the formulas. We are looking into
12 expenditures. We are looking into ways we can
13 actually reduce costs to put more money into
14 some of those other areas.

15 So, we're looking into it now.

16 REPRESENTATIVE ROSEMARY BROWN: Thank
17 you, Madam Secretary. And, you know, it's
18 something that I hope that we can get some
19 more details from you and the department this
20 upcoming year. I know it's been a tough past
21 year, so weren't able to move forward with
22 that.

23 But I thank you for your work, and I
24 look forward to seeing some of the details on
25 that. Thank you so much.

1 SECRETARY GRAMIAN: Thank you.

2 MAJORITY CHAIRMAN SAYLOR: Next is
3 Representative Hershey.

4 REPRESENTATIVE HERSHEY: Thank you,
5 Secretary, for being here this morning.

6 And thank you, Chairman.

7 My question is related to
8 registration stickers on -- that used to be on
9 license plates and the accompanying revenue.
10 So, when we passed Act 89 in 2013 -- and,
11 granted, I was not here at the time -- PennDOT
12 estimated that removing registration stickers
13 from license plates would save PennDOT 1 and a
14 half million dollars annually, and that
15 eliminating the registration sticker would not
16 result in the loss of compliance for people
17 getting their vehicles registered.

18 So, we removed stickers on January
19 1st, 2017. Between 2010 and 2016 Pennsylvania
20 had an average annual increase in vehicle
21 registrations of just over 115,000
22 registrations per year. And that's using 2010
23 to 2016 numbers.

24 As soon as stickers were removed,
25 Pennsylvania lost, on average, the 234,000

1 registrations per year. And if that's 2017 to
2 2019, that's roughly a drop in revenue of 18
3 million dollars.

4 So, my question is, do you think
5 there's any truth to the claim that because
6 there is no longer stickers on license plates,
7 and because there's no proof of registration
8 that's visible to law enforcement, do you
9 think there's any truth to the claim that
10 there's no visible means of knowing that a
11 vehicle's registered and that people are just
12 refusing to comply because of that?

13 SECRETARY GRAMIAN: I don't believe
14 so, sir. We have no evidence to think that
15 people are not doing their job because there
16 is no sticker.

17 REPRESENTATIVE HERSHEY: Okay. So,
18 what do you think -- and I know that there is
19 a study that suggested that. But what do you
20 think accounts for that drop in registration
21 during that time?

22 SECRETARY GRAMIAN: I don't have that
23 answer. But I don't think it attributes to
24 the stickers, the registration stickers.
25 We've looked into it. We've actually

1 evaluated. We don't see -- we haven't seen
2 any evidence to say that, you know, the
3 registrations went down. And I don't know
4 where you got your numbers, sir. I'm sure you
5 got it from a good source, but we have to
6 verify that. But we have no indication that,
7 you know, people are not following the rules
8 because of that -- because of the sticker.

9 REPRESENTATIVE HERSHEY: Okay. We
10 did pull these numbers from the PennDOT
11 website that has registrations over time.
12 And, so, I do believe that it is a good
13 source.

14 My next question is, have you
15 realized that one and a half million dollars
16 in savings?

17 SECRETARY GRAMIAN: We have realized
18 actually 12 million dollars in savings since
19 2017 for a number of different -- from a
20 number of different areas. We have 7, almost
21 8 million savings in postage, almost 3.5
22 million in sticker inventory, almost half a
23 million on saving paper and envelopes, and
24 also the resources, the human resources that
25 we have to use to send these out.

1 The other thing I have to mention is,
2 I don't know if the stats that you're actually
3 pulling up is for one year, but, typically,
4 the registration, it's a biannual registration
5 that's becoming available, so what you see is
6 for two years.

7 REPRESENTATIVE HERSHEY: Okay. And
8 still, though, my next question is, you know,
9 people are still paying double the price for
10 two years. I just had to renew my
11 registration recently, and I'm familiar with
12 that process. But it seems that, even if it
13 was more than a million and a half dollars
14 that we're saving annually, if it was 12
15 million since 2017, it still seems that, in my
16 opinion, we're losing 51 million dollars in
17 terms of people not renewing their
18 registration to save 12 million dollars. I
19 don't know that this necessarily makes fiscal
20 sense to me.

21 So, I was just curious if you have
22 any timeline for correcting this, or if you do
23 believe that there's a legislative fix that's
24 possible for this.

25 SECRETARY GRAMIAN: We do not see any

1 reason to correct this. We don't see this
2 being a problem, sir.

3 Obviously, if there are legislators
4 that think this is a problem, there's been
5 bills introduced, the Senate Bill 954, which
6 would reinstate the registration sticker, and
7 it was given consideration in November of
8 2019. There a House bill, 1509, and was
9 amended in September of 2020, to reinstate the
10 registration sticker. I mean, if your
11 colleagues think that this should be
12 reinstated, I mean it can be debated, but we
13 don't see a need for it.

14 REPRESENTATIVE HERSHEY: All right,
15 Secretary. Well, that actually concludes my
16 time. I do believe that this bill, the House
17 bill that you mentioned, passed on a pretty
18 overwhelming bipartisan basis last year out of
19 the Transportation Committee. So, I'll
20 continue talking about that with my
21 colleagues. And I believe I have other
22 colleagues with questions related to this
23 issue.

24 So, thanks for your time. I'm out of
25 time now.

1 SECRETARY GRAMIAN: Thank you.

2 MAJORITY CHAIRMAN SAYLOR: Next is
3 Representative Zach Mako.

4 REPRESENTATIVE MAKO: Thank you,
5 Mr. Chairman.

6 And thank you, Madam Secretary, for
7 being here today virtually.

8 So, as my colleague from Juniata
9 County just mentioned, we were just talking
10 about registration, just a quick follow up on
11 that. Has Pennsylvania noticed a decline in
12 registrations since 2017, since that Act 89
13 went into effect?

14 SECRETARY GRAMIAN: Sir, I can look
15 into it and get back to you. I don't want to
16 provide any inaccurate information.

17 REPRESENTATIVE MAKO: Oh -- and, once
18 again, these are definitely not "got you"
19 questions. This was definitely put into place
20 before you and were on the scene, so I'm not
21 trying to throw stones at all. So, yeah, if
22 you can give like a full accounting of the
23 registration, that would be great, so we can
24 see.

25 Just to touch on the biannual fee,

1 there is no discount for getting the two-year
2 instead of the one-year. And I know because
3 I'm a sucker for it. I bought the two-year,
4 and my finance professors would be upset with
5 the time value of money.

6 Is there any appetite to change that,
7 to give a little discount to potentially
8 promote a two-year registration?

9 SECRETARY GRAMIAN: Not that I'm
10 aware of, sir.

11 REPRESENTATIVE MAKO: I was just
12 going out on a limb, just wanted to see.

13 Just using some data that I was given
14 from the Department of Transportation, just
15 going back to the registration, I guess. In
16 the surrounding states, they have the
17 stickers, and they've just seen an increase in
18 registrations in the last three years.
19 Maryland's up a little, Virginia, Ohio, and
20 New York. Just something to consider.

21 Do we have a mode to actually check
22 to make sure that people are registered
23 without just running the license?

24 SECRETARY GRAMIAN: I have to look
25 into that, too. I'll get back to you.

1 REPRESENTATIVE MAKO: Okay. No
2 worries on that.

3 And then my last question, we've been
4 hearing from other secretaries in the last few
5 days, and especially with the federal
6 administration in place right now, there's
7 been a huge push for -- lack of a better term
8 -- renewables and using electric vehicles and
9 going electric. You mentioned earlier, if I
10 was listening correctly, you said 74 percent
11 of the motor licensure fund is derived from
12 the gas tax. Is that correct?

13 SECRETARY GRAMIAN: That's correct.

14 REPRESENTATIVE MAKO: Is there --
15 and, once again, this is not a "got you"
16 question -- what is PennDOT looking at as far
17 as moving forward with electric vehicles and
18 trying to fill that gap? If there is a big
19 push for electric vehicles and more consumers
20 are purchasing electric vehicles, then I would
21 imagine the motor licensure fund would take a
22 hit. What is the Department's solution for
23 that moving forward?

24 SECRETARY GRAMIAN: So, House Bill
25 1392 was introduced last year and much

1 debated, and there was a structure being put
2 in place, a fee structure for electrical
3 vehicles. And, you know, there were some
4 debates over that for commercial vehicles,
5 noncommercial vehicles to be charged a fee.
6 And we actually spent a good amount of time --
7 this bill was introduced by Chairman Carroll.
8 And they did quite bit of investigation and
9 looking into the charges throughout the United
10 States, different states, and they gathered
11 information, and apparently there was a high
12 end, there was a low end. The high end was
13 around 270 dollars for the commercial vehicles
14 and the low end was about -- I don't
15 remember -- 150, whatever. So, we took the
16 middle of the road, charging 150 per year for
17 passenger vehicles and 250 for motor homes.

18 And then there much of a debate for
19 the weights, how to -- you know, what is
20 considered the weight for the electrical
21 vehicles. Should the weight of the battery be
22 included? At the end of the day, I guess the
23 bill never made it through the floor. But I'm
24 hopeful that it will get reintroduced, and
25 there will be some fees in place to charge the

1 electrical vehicles.

2 And the other thing is, you know,
3 technically, those who actually do have the
4 hybrid car or electrical vehicles, they are
5 supposed to report the usage of it, so we can
6 actually charge them the right amount. But we
7 don't get that kind of a report. We
8 understand there is over -- almost 11,000
9 electrical vehicles in the state as of now;
10 hybrid, around 36,000; 46,000 all together.
11 And when we look into how much has been
12 reported, ends up 2,000 electrical vehicles.

13 So, we are hoping there will be some
14 changes to the fees that are going to be
15 introduce.

16 REPRESENTATIVE MAKO: Thank you,
17 Madam Secretary. I appreciate your responses,
18 and I'll look into that 1392, as my time is
19 up.

20 Thank you, ma'am.

21 SECRETARY GRAMIAN: Thank you.

22 MAJORITY CHAIRMAN SAYLOR: Our next
23 questioner is Representative Natalie Mihalek.

24 REPRESENTATIVE MIHALEK: Thank you,
25 Mr. Chairman.

1 Thank you, Madam Secretary, for being
2 with us today.

3 I just wanted to quickly follow up on
4 the registration stickers. When those were
5 eliminated, the Department of Transportation
6 intimated that law enforcement would be able
7 to quickly identify a vehicle's registration
8 through the use of license plate readers. A
9 grant program was actually to be established
10 through PennDOT to assist local police
11 departments in outfitting their parole
12 vehicles. The vehicles in the state police
13 fleet were to be outfitted with the readers as
14 well.

15 In testimony from a 2019 House
16 Transportation Committee, the state police
17 testified that there are only six readers in
18 the entire fleet. Testimony also revealed
19 that the grant program was never established.

20 At a cost of 18,000 dollars for a
21 single reader, and that doesn't include the
22 installation -- as I understand, it needs to
23 be mounted to the front fender -- or the cost
24 to maintain it, it is cost-prohibitive for
25 most police departments. In fact, of the 108

1 police departments in Allegheny County, I can
2 count on hand how many patrol vehicles are
3 actually able to afford this reader.

4 I believe it has also taken a toll
5 away from law enforcement. A previous
6 statement made by my colleague with the, you
7 know, the toll taken away from law enforcement
8 and then the previous statement intimating
9 that there is a revenue loss associated with
10 this.

11 Would PennDOT be, you know, open to
12 supporting legislation that would require a
13 visible registration sticker?

14 SECRETARY GRAMIAN: So, with regard
15 to the grant program you mentioned, it's my
16 understanding that we offered the grant
17 program to the legislature, but, ultimately,
18 the general assembly declined to include that
19 language in the legislation. I'll be happy to
20 look into it further.

21 And, I'm sorry, what was your
22 question? Again, we will be happy to work
23 with you. I mean, we can discuss the
24 specifics, but it appears that this is a major
25 concern. It has come on up several times, and

1 we will be happy to work with you and look
2 into it.

3 REPRESENTATIVE MIHALEK: Thank you.
4 And as I understand regarding the grant
5 program, it was to be 1 million dollars, not
6 appropriated by the general assembly but
7 actually coming from existing funds within
8 PennDOT's budget. But I'd be happy to
9 discuss.

10 I just want to switch gears here just
11 quickly. I represent parts of Allegheny and
12 Washington County. The southwest region of
13 the state accounts for about 20 percent of the
14 revenues from the sales and use tax as well as
15 the PIT, yet when it comes to spike funding,
16 the southwest only sees about 11 percent.
17 Spike is, of course, a mix of the state and
18 federal funds at the discretion of the
19 secretary of Transportation.

20 So, over the next twelve years, the
21 southwest region is slated to receive 10
22 percent of the allocated 3.6 billion dollars
23 in discretionary spike funds. I just want to
24 compare that to Philadelphia and Harrisburg,
25 who will receive 41 percent of those funds.

1 Can you comment as to the imbalance,
2 it seems, in the discretionary spike funds?

3 SECRETARY GRAMIAN: So, the way we
4 program our projects is over multiple years.
5 And also, what we -- we have two separate
6 buckets of funding. There is the interstate
7 funding, and there is the tip funding. And
8 after we take all the money that's allocated
9 to the interstate, we put it into the
10 interstate bucket, we see how much is left,
11 and then based on the amount that's left, we
12 distribute it based on the formula, ma'am.

13 So, this formula is something that's
14 being discussed during the planning process
15 with all the planning partners. Obviously,
16 it's the commitments, we have to honor the
17 commitments that were made in the prior
18 administration.

19 When you refer to the spike fund, the
20 spike funding, again it's over a period of
21 several years, and when we start a project, we
22 wouldn't really stop the project in the middle
23 of it for any reason, and we continue to the
24 end of it. And that's why sometimes there is
25 some imbalances in the money that's being

1 spent from one region to another.

2 But over a period of time, I'd say
3 twenty years, you see this spike money is
4 shifting from one region to another. There is
5 a time that there are some big projects going
6 on in central Pennsylvania. There could be
7 some big projects going on in the western
8 Pennsylvania. There could be some big
9 projects in going on the northeast part of the
10 state and then in the southeast part of the
11 state. It's the commitment to the project
12 that will create this spike funding
13 allocation.

14 REPRESENTATIVE MIHALEK: So, in
15 looking over a period of years, I was speaking
16 to the last thirteen years, where the
17 southwest region was only receiving about 11
18 percent of the discretionary funding. And
19 then looking ahead for the next twelve years,
20 and you brought up the interstate money, we
21 are slated to receive 13 percent of that. And
22 if you look at the rest of the state, so
23 Philadelphia and the Harrisburg region are
24 actually going to receive 35 percent of that
25 money. And if you're looking at the central

1 portion of the state, they're going to be
2 receiving well over half. So, it just seems
3 like maybe "imbalance" is the incorrect word
4 to use, because it seems, you know, beyond an
5 imbalance, but there's -- it's not fair to the
6 southwest region of the state that does make
7 up that 20 percent of our state revenues
8 collectively, that we are not able to receive
9 those discretionary funds for the last twelve
10 years and for the next 13 moving forward.

11 And it looks like I'm out of time.
12 So, I thank you for your time today.

13 SECRETARY GRAMIAN: Appreciate it.
14 But I just wanted to make the point that we
15 invested a billion dollars into the
16 reconstruction of I-70, so that's part of the
17 interstate system that we have to invest in
18 it.

19 Thank you.

20 MAJORITY CHAIRMAN SAYLOR: Next is
21 Representative Clint Owlett.

22 REPRESENTATIVE OWLETT: Thank you,
23 Mr. Chairman.

24 And thank you, Secretary, for being
25 here today.

1 I'm not going to -- I don't have any
2 questions really on the P3 tolling stuff, just
3 want to make a comment on it quickly. You
4 know, we're in the midst of recovering from a
5 pandemic. We were given a proposal that
6 increases taxes and cost of living for
7 everyone in the commonwealth. And here is
8 another proposal that's being put out there
9 for comment, for us to talk about, that
10 literally will raise the cost of living on
11 every single person in Pennsylvania. And I
12 think it's just worth mentioning that timing
13 is everything. We are in the midst of
14 recovering from this pandemic. This is not
15 the time to be having this conversation.

16 And I realize that there's
17 infrastructure that needs to be fixed, I get
18 that, but there are other governors and there
19 are other, you know, states that are
20 approaching this recovery differently, and
21 that's what I -- I hope that we can just maybe
22 press pause and really look to see how we can
23 make sure folks can get in their homes and get
24 back to work quickly.

25 Speaking of, like, real-life issues,

1 getting documents from PennDOT has been a real
2 challenge for folks in my district and I'm
3 sure all the districts across the commonwealth
4 here. So, my question is, what adjustments
5 have been made -- we're talking handicapped
6 placards, license plates, all these documents.
7 You know, PennDOT has been very, very slow in
8 this. And I realize that there's going to be
9 an adjustment and that people are working from
10 home, but, why haven't we seen that increase?
11 Why is it still such a long wait for these
12 important documents that people rely on each
13 and every day?

14 SECRETARY GRAMIAN: Sir, for a while,
15 as you know, the driver licensing centers were
16 closed, and a lot of these documents were
17 actually being extended so they weren't
18 expired. People could continue using the
19 current documents they had. We wanted to make
20 sure at any given time nobody is dependent and
21 not having the proper documents, when, you
22 know, we were under COVID and we had to shut
23 down some of our services.

24 So, all documents were extended, and
25 we still continue to extend the expiration

1 dates on all the documents.

2 REPRESENTATIVE OWLETT: What about
3 new documents, such as handicap placards,
4 registrations, titles -- registration, I
5 realize you extended those -- but new
6 documents? That's kind of what I'm talking
7 about right now. Documents where -- you know,
8 we have businesses that are trying -- and
9 employers that are trying to purchase a
10 vehicle to remove snow. And it just takes
11 forever. They cannot get that license back
12 for that vehicle, and then they can't, you
13 know, go out and provide a service.

14 Those are the types of things -- I
15 mean, we've been in this almost a year, you
16 know. We need to -- I would think that we
17 could have a process that would be a little
18 more streamlined by now. And that's -- I
19 guess that's my big ask, that you would please
20 look at the real-life effects of this and how
21 it affects, you know, and impacts the lives of
22 those that are trying to provide a service in
23 the community and fix some of those issues.

24 And lastly, we talked a little about,
25 you know, a lot of mass transit. Rural

1 areas -- you know, rural areas have a
2 different set of problems. I serve a rural
3 community. You know, but we have talked about
4 mass and urban and suburban areas today, and I
5 just want to bring up an issue that hopefully
6 you can help us with.

7 Recently, the House and the Senate
8 passed legislation that included a very
9 important ATV pilot program to be administered
10 by DCNR, and this is really designed to take
11 place in some of the most remote corners of
12 the commonwealth and really help out our rural
13 communities who have been struggling over the
14 years. And it's something that they want.
15 Our townships have lead the way on this.

16 And my question to you is, you know,
17 DCNR has -- they've been working very hard to
18 incorporate this, because it is legislative.
19 You gave us a little civics lesson a few
20 minutes ago, but this is a very important
21 piece of legislation that has been passed. It
22 was incorporated into a bill last year. It is
23 on the books. DCNR has created a plan to
24 implement that; however, we have found out
25 that PennDOT is really holding this up and

1 possibly going to try to kill this project.

2 My question for you is, will you
3 commit to do everything in your power to make
4 sure that PennDOT does not hold this project
5 up and thus hold up the will of the general
6 assembly?

7 SECRETARY GRAMIAN: Yeah, I'll be
8 glad to answer that question. But before I
9 answer that question, I want to have the
10 opportunity to address the other two comments
11 you made.

12 First of all, regarding the tolling,
13 I have to say, the tolling is not going to go
14 into place until 2023. That's two years from
15 now. And hopefully, I'm hoping, very
16 optimistic that our economy will be recovered
17 by then.

18 REPRESENTATIVE OWLETT: I get that,
19 Madam Secretary. But you realize that timing
20 is everything. You're starting this
21 conversation in the midst of a pandemic
22 recovery. So, I'm just saying -- I'm not
23 disagreeing with what you're talking about,
24 I'm just saying timing is off.

25 SECRETARY GRAMIAN: Absolutely right.

1 Timing is everything. We got to start
2 planning for the future right now. We can't
3 just manage the decline of the situation.
4 That's one thing.

5 The other thing, sir, you mentioned
6 about the placard and the license. We'll be
7 happy to address it. We had a backlog that we
8 caught up on that. If there's a specific one,
9 please sent it to me and I will personally
10 take care of it. We are very committed to
11 deliver the services to people.

12 With regards to ATV, we're looking
13 into that pilot project. We're working with
14 the DCNR, and we wanted to make sure we can
15 implement it in a safe manner.

16 REPRESENTATIVE OWLETT: Other states
17 have done that. Our townships have lead the
18 way. We don't ask for much, but when we do,
19 in our rural communities, this is a big deal
20 for us, this ATV project. A lot of planning
21 has gone, you know, into effect in our local
22 industries and tourist attractions. We need
23 your help. We need you to work with us and be
24 a problem solver in this. We don't ask for
25 much, but when we do, we do ask for action,

1 and I would appreciate your attention into
2 this very important issue in the 68th district
3 and all across north central Pennsylvania.

4 SECRETARY GRAMIAN: We will
5 definitely look into it. Thank you.

6 MAJORITY CHAIRMAN SAYLOR:
7 Representative Dave Zimmerman.

8 REPRESENTATIVE ZIMMERMAN: Thank you,
9 Mr. Chairman.

10 And thank you, Madam Secretary, for
11 joining us here this morning.

12 I want to just circle back to
13 construction for just a moment. So, 2.2
14 billion was allocated for construction
15 projects. And somewhere along the way, that
16 number was moved down to 1.9 billion. So, it
17 seems like there was 300 million that just
18 kind of went poof. It evaporated somewhere
19 along that way.

20 Could you just speak to that a little
21 bit?

22 SECRETARY GRAMIAN: Yeah, sure. Be
23 happy to.

24 That number went down because of the
25 loss of the revenue from COVID. The traffic

1 numbers went down, the revenue went down. And
2 as a result, we had to adjust our construction
3 program. We are planning on doing 1.9 billion
4 for '21, fiscal year '21. And we are hoping
5 to do more, once the traffic gets resumed and
6 revenue comes back and all this other, you
7 know, opportunities that we are talking in
8 terms of generating new revenue, maybe with
9 electrical vehicles and hopefully something
10 from the federal government.

11 We are hoping to do more. But we
12 wanted to make sure that we can do, at a
13 minimum, 1.9 billion this year. And last year
14 we did less because we had less other revenue.

15 REPRESENTATIVE ZIMMERMAN: So, is
16 there a way you can give us a little more,
17 maybe in writing, just how that all came about
18 and the reasons for it that would help us?

19 SECRETARY GRAMIAN: Absolutely. I'll
20 be happy to do that. I provided a write-up to
21 Chair Saylor on that and Chair Brown, and I'll
22 be happy to provide the same write-up to you.

23 MAJORITY CHAIRMAN SAYLOR: Great.
24 Looking forward to that.

25 On a second question, I'm very

1 concerned about the Pennsylvania economy and
2 especially the stability of Pennsylvania
3 businesses. So, with P3 projects and the
4 bidding process that you all go through, many
5 projects are being let to businesses outside,
6 you know, in other states or even in foreign
7 countries.

8 Can you speak more into that as well?

9 SECRETARY GRAMIAN: We are not
10 planning on sending any businesses to out of
11 country, for sure, or to other states.
12 Obviously, there's going to be a competitive
13 bidding process, and everybody who bids on the
14 projects, they should be qualified. There are
15 certain requirements to be able to bid on
16 these projects.

17 REPRESENTATIVE ZIMMERMAN: Okay. But
18 the bids will be going out to Pennsylvania
19 businesses. Is that correct?

20 SECRETARY GRAMIAN: That's correct,
21 sir. They have to be prequalified to do work
22 in Pennsylvania.

23 REPRESENTATIVE ZIMMERMAN: Okay,
24 good. Because that just seems prudent,
25 especially, you know -- the idea of giving

1 contractors in Pennsylvania the priority just
2 seems like the right thing. So, thank you for
3 doing that.

4 And thank you for answering those
5 questions, Madam Secretary.

6 Thank you, Mr. Chairman.

7 SECRETARY GRAMIAN: Thank you.

8 MAJORITY CHAIRMAN SAYLOR: Next is
9 Representative Sanchez, who is on virtual.

10 Representative Sanchez, are you
11 there?

12 REPRESENTATIVE SANCHEZ: Chairman,
13 thank you.

14 Madam Secretary, I realize it's
15 getting to be a long morning for you here.
16 Thank you for your testimony.

17 I wanted to --

18 MAJORITY CHAIRMAN SAYLOR:
19 Representative Sanchez, if you could turn your
20 volume down. I think it's muffled because
21 it's pretty loud. Just a little bit.

22 REPRESENTATIVE SANCHEZ: Is that
23 better now?

24 Madam Secretary, I wanted to ask you
25 about PennDOT's investment -- we talked about

1 investment here today -- but PennDOT's
2 investments in transportation enhancement
3 technologies. I realize it may not be a great
4 time for -- to look forward to those items,
5 but, as you said, timing is everything. And
6 someday, the benefits that can be achieved
7 from traffic management, signal coordination,
8 enhancements to walkability from technology,
9 those are all very important and can't be
10 overlooked.

11 Would you be able to comment on those
12 items.

13 SECRETARY GRAMIAN: Yes. Thank you,
14 Representative, for that question.

15 You know, technology is a big part of
16 our business, you know, as part of the core of
17 PennDOT, in addition to safety and equity. We
18 wanted to make sure that we leveraged
19 technology for a number of different reasons.
20 First of all -- I mean, all these factors are
21 intertwined, right? If you bring in
22 technology -- and we've managed to bring in
23 technology to improve safety. We bring in
24 technology to actually reduce the cost. We
25 bring in technology to be able to do more.

1 And we did a lot of it.

2 We actually employed a lot of
3 technology and transformation during the whole
4 COVID-19 out of, you know, urgency and being
5 able to get things done. So, technology's
6 going to be a big part of everything we do.

7 Down in District 6, you talked about
8 traffic management. A traffic management
9 center in District 6 is going to be
10 state-of-the-art traffic management. It's
11 under construction right now. It's going to
12 be a beautiful facility. We have access to
13 all the traffic signals and the entire
14 transportation system within that region. And
15 also, eventually, we will be able to be a
16 backup for the rest of the state, if it's
17 needed, you know.

18 There's going to be, also, a lot
19 of -- with the electrical vehicles coming out,
20 we need to look into the charging stations
21 obviously being available for the electrical
22 vehicles. We are looking into multiple
23 corridors to do an assessment and also looking
24 into business opportunities for folks, working
25 with DEP to encourage businesses to come and

1 invest in certain areas for charging stations.

2 With regards to automated vehicles
3 and technology, Pennsylvania is one of the
4 leaders in this field, and we've done a lot of
5 work with the AV world. We actually put
6 guidelines together. We developed our
7 strategic plan. We are working with
8 neighboring states on truck platooning. We
9 are looking into developing policies and
10 guidelines for the AV vehicles, to be able to
11 maneuver through the construction areas,
12 incident response. There's all kinds of stuff
13 that we are doing on that side, too.

14 And recently, personal delivery
15 device was one that -- the bill was passed
16 last year, and we were very focused and
17 concerned about making sure that the
18 municipalities are comfortable with this new
19 device that's going to be riding over their
20 facilities, whether it's their sidewalk or
21 their shoulders, that there is a comfort level
22 and there is a safety level. So, we put
23 together -- and this is, again, working with
24 all the partners, from the local side and PO
25 side to law enforcement's technology side, to

1 make sure we have the proper policies and
2 guidelines in place.

3 REPRESENTATIVE SANCHEZ: I'm very
4 pleased to hear all that, in particular, the
5 District 6 facility. That's very interesting.
6 And I can't wait for that come on line.

7 One more question for you and
8 slightly different direction, relating to Act
9 131 of 2020, and this included a p7rovision
10 where folks -- individuals experiencing
11 homelessness could apply for renewable
12 products from PennDOT, most importantly
13 identification, and it would be free of
14 charge. Have you seen utilization of this
15 program? And any plans to expand that in the
16 future?

17 Thank you very much.

18 SECRETARY GRAMIAN: Sure. Happy to
19 report we have seventy folks who took
20 advantage of this newly enacted law, which
21 went into effect in January, on January 25th
22 of this year. We're very happy about that.
23 We had a joint media event with Secretary
24 Miller, from Human Services. And we talked
25 about -- I talked about how they can apply or

1 renew their documents and how we can help them
2 out in the process. And, of course, Secretary
3 Miller talked about how she can support them
4 with some of the programs in her area.

5 Obviously, as you know, every citizen
6 needs to have their own proper documents and
7 I.D. to be able to work, to take advantage of
8 the programs in place, and for these people to
9 put their lives back in place again. So, that
10 was extremely important to us.

11 REPRESENTATIVE SANCHEZ: Thank you
12 very much for those answers, and I appreciate
13 your testimony.

14 Thank you, Mr. Chairman.

15 MAJORITY CHAIRMAN SAYLOR: You're
16 welcome.

17 SECRETARY GRAMIAN: Thank you.

18 MAJORITY CHAIRMAN SAYLOR: Next
19 questioner is Representative John Lawrence.

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

22 And thank you, Madam Secretary, for
23 being with us virtually today.

24 Before I get into my question, I do
25 want to just call out in your department,

1 Sarah Clark and David Lapadat; his team,
2 Amanda, Cass, and Joan; you know, James Falls
3 in District 6. These are folks that we work
4 with quite a bit in my office, and they do
5 great job. So, I just wanted to let you know
6 they're doing a good job.

7 SECRETARY GRAMIAN: Thank you.

8 REPRESENTATIVE LAWRENCE: So, you had
9 said earlier -- we have a lot of -- I think, a
10 really robust conversation today, and you had
11 said earlier that you're very concerned about
12 the future of SEPTA. And I think there's a
13 lot of folks who are concerned about the
14 future of SEPTA. You said that the federal
15 money, the billion dollars in CARES Act money
16 will not be sufficient. And Secretary --
17 former secretary, Leslie Richards, who's now
18 in charge of SEPTA, testifying in front of the
19 House Transportation Committee earlier, I
20 guess it was about six months ago, she had
21 commented, in response to a question I asked
22 her, that fare box recovery in SEPTA has
23 collapsed to less than 10 cents on the dollar.
24 Which I'm hopeful that it's recovered a little
25 bit since then, but, nevertheless, that's a

1 dramatic fall off from where it was in
2 pre-COVID days. And we've heard about -- you
3 know, there's been news stories and such about
4 running empty buses and stuff like that in
5 Philadelphia.

6 I guess, my question to you would be,
7 is that we've gotten a one-time shot of
8 federal money, and we've got a couple of
9 funding cliffs that we're looking at, and we
10 certainly have less demand for service right
11 now that we're optimistic, hopefully, that
12 that service will rebound once the COVID
13 pandemic tails off a little bit.

14 Wouldn't it be smarter to use the
15 one-time federal money now to invest in future
16 infrastructure, maybe building out additional
17 rail lines or getting those new rail cars I
18 know SEPTA's looking to buy? Wouldn't it be
19 smarter to use that money now rather than to
20 kind of keep all those empty trains and empty
21 buses running, and eventually that money's
22 going to run out and we won't have the
23 improved infrastructure?

24 SECRETARY GRAMIAN: So, if I
25 understand your question correctly, you're

1 referring to SEPTA should be spending their
2 funding that they received under the CARES
3 package on buying new cars for SEPTA
4 facilities, expanding the rail system, and
5 putting it back into economy. Honestly, this
6 is not a question for me. This is a question
7 for general manager Leslie Richards to answer,
8 but, obviously, it's very important. SEPTA is
9 a very important transportation means for many
10 in the five counties that you just mentioned.

11 So, I'm sure it's everyone's concern
12 to be able -- that the first thing they need
13 to do is to maintain the services that they're
14 providing for the people who are relying on
15 SEPTA services. A lot of the people have no
16 other option but to take the SEPTA bus or
17 SEPTA trolley or SEPTA subway system, so
18 that's really important to them.

19 And with regards to expansion,
20 there's been -- you know, SEPTA, actually,
21 while they're dealing with this economic
22 situation and the loss of the revenue and the
23 operational challenges, they're also keeping
24 up with also thinking about the future, as we
25 just said. This is a time, as much as it's

1 painful when you're seeing such a decline in
2 your revenue and challenges with your
3 operation, you also should be thinking
4 about -- a good leader should be thinking
5 about the future while addressing the current
6 needs and what's the plan for the future,
7 because, hopefully, we all will come out of
8 the situation, and we're all going to see a
9 day that, you know, the economy's going to go
10 back to days of prosperity, and we are hoping
11 for that day. And if we are not -- if we
12 don't put our plan together for that, then
13 we're going to be left behind for making major
14 progress.

15 REPRESENTATIVE LAWRENCE: Yeah. And
16 that actually works right into the next
17 question that I was kind of looking to ask
18 here. And I certainly respect that this is
19 maybe -- that my previous question was maybe
20 more of a question for Leslie Richards and
21 certainly we'll follow up with her as well.
22 And I agree with you that having a plan for
23 the future is really important, and I'm not
24 trying to absolve the legislature's
25 responsibility, because we have

1 responsibility, tremendous responsibility.

2 But I guess my question is, is that,
3 with, you know, fuel taxes and fees; revenue
4 being down; fare box recovery, you know, has
5 collapsed during the pandemic; federal CARES
6 Act money, one time, it's going to run out;
7 the turnpike, 450 million dollars to mass
8 transit, that's coming to an end, what is Wolf
9 administration's plan for the future? What
10 has the Wolf administration -- you know, where
11 is the comprehensive plan to address all of
12 these things from the Wolf administration?

13 SECRETARY GRAMIAN: So, as I
14 mentioned, sir, we are -- we have developed
15 this PennDOT Pathways program, and it's a
16 comprehensive funding solution to all modes of
17 transportation and to our funding problems,
18 included in that is the Act 44 and the
19 cancelation of Act 44 coming in 2022. Again,
20 there are multiple options that are considered
21 as part of that and will be coming to the
22 public, to the legislators, to the
23 stakeholders, to the business owners to talk
24 about those options and evaluate each one of
25 them and make sure that the right option is

1 picked for the problems that we are faced
2 today.

3 That's where the administration is
4 with this question that you had related to the
5 funding.

6 REPRESENTATIVE LAWRENCE: Very good.
7 Thank you, Mr. Chairman.

8 MAJORITY CHAIRMAN SAYLOR: Very good.
9 The next is Representative Carroll.

10 REPRESENTATIVE CARROLL: Thank you,
11 Mr. Chairman.

12 And thank you, Madam Secretary.

13 Madam Secretary, you can lean back,
14 because this is going to take me a little
15 while. Commentary more than anything else.

16 Turns out that it's difficult to fund
17 transportation in our commonwealth. It's
18 difficult to fund transit. It's difficult to
19 fund highways and bridges.

20 We as a Commonwealth and its general
21 assembly farm out from the turnpike 450
22 million dollars a year to fund transit. The
23 turnpike is in debt somewhere in the
24 neighborhood of 10 billion dollars because of
25 that policy. That was our decision.

1 Mr. Chairman, I often hear
2 Pennsylvania has such a high gas tax, how
3 could PennDOT be in desperate in the need of
4 money? A couple things. When we compare
5 Pennsylvania to other states, we are not
6 comparing apples to apples. Pennsylvania has,
7 as many have heard in this room, 44,000 miles
8 of highway, more than New York, New Jersey,
9 and all the New England states combined. We
10 have an SR network in this Commonwealth, on
11 top of our state roads and on top of our
12 interstate system, that is among the largest
13 in the country.

14 And when PennDOT has that
15 responsibility, we somehow have come to the
16 conclusion that it's a smart idea to peel off
17 about half of the gasoline and diesel tax that
18 we collect -- 12 cents a gallon to the state
19 police, 8 cents a gallon to local government,
20 3 cents a gallon to the Mon-Fayette southern
21 beltway, 3 cents a gallon to the Department of
22 Agriculture and other departments. Nearly
23 half of the gasoline tax that we collect does
24 not go to PennDOT's responsibility with
25 respect to roads and bridges.

1 We tried last year to do a very
2 modest change in the law with respect to
3 electric vehicles. The bill that was mine
4 would have raised somewhere in the
5 neighborhood between 5 and 10 million
6 dollars -- very, very modest in the grand
7 scheme of motor license fund. We could not
8 get that done. Evidence again, it's hard to
9 fund transportation.

10 The Commonwealth and PennDOT this
11 week, and as has been discussed today, with
12 the bridge tolling plan that's now before us,
13 is the direct result of an action in this
14 room. In 2012, House Bill 3 was before this
15 body. During the debate on House Bill 3, the
16 following was said by one of the opponents of
17 the bill.

18 (Reading) Today, we have before us a
19 bill that hands off the direct authority to
20 toll interstates, to toll bridges, and to toll
21 other transportation network features to an
22 unelected commission. If we are interested
23 today in handing off that ability, then you
24 should support House Bill 3. But the fact of
25 the matter is, we were elected to make the

1 tough decisions in this chamber, and some of
2 those tough decisions are going to be related
3 to finding ways to fund highways and bridges.
4 And some of those decisions will involve
5 either tolling or tax increases of one sort or
6 another. It's simply not appropriate for us
7 to hand off that authority, that ability to an
8 unelected board. That is what we were elected
9 to do, but we chose not to. (Concluded
10 reading.)

11 Because this chamber supported and
12 approved House Bill 3, that became Act 88. So
13 for those that are lamenting the fact that we
14 have PennDOT tolling before us, look in the
15 mirror. This was the direct result of what
16 this body approved.

17 And so, as PennDOT contemplates how
18 to proceed with the full knowledge it's really
19 difficult to find ways to fund transportation,
20 and because this body has no appetite for
21 actually funding the state police the way that
22 we should or making sure that the turnpike
23 doesn't have to become Bank of America, to
24 spend 400 billion dollars a year to transit
25 authorities across the state, those were

1 decisions that we made, that this general
2 assembly made in an effort to try and find an
3 easy path forward for admittedly very
4 complicated problems.

5 So, as we move forward with respect
6 to transportation funding dilemmas in the
7 state and as we consider the proposals that
8 come from PennDOT and the 3P board, I simply
9 say to those that are opposed, please give us
10 your recommendation for a solution, because
11 absent a recommendation that generates that
12 kind of money, I'm not sure what PennDOT is
13 supposed to do, because, at the end of the
14 day, we have to have a transportation network
15 that doesn't include posted bridges on the
16 interstate highway system. Because the day we
17 have a posted bridge on the interstate highway
18 system is the day that our industries and our
19 manufacturers are crippled.

20 And so, it's time for us to be
21 responsible with respect to the obligations
22 PennDOT has, and I'm hopeful that working with
23 the chairman from the Chester County, we can
24 achieve better results going forward.

25 Thank you.

1 MAJORITY CHAIRMAN SAYLOR: Next is
2 Chairman Tim Hennessey.

3 REPRESENTATIVE HENNESSEY: Thank you,
4 Mr. Chairman.

5 Madam Secretary, good afternoon.
6 Thanks for being here.

7 I'd like to return just for a moment
8 to the idea of the projected highway and
9 bridge projects that PennDOT announces
10 frequently. We've heard a lot about the
11 impacts of the virus on PennDOT's revenues,
12 but the federal CARES 2 package restored all
13 but 68 million dollars of that loss that
14 PennDOT recognized as a result of the virus.
15 Similarly for -- and by the way, restoring
16 that 68 million dollars still left us with 600
17 million dollars worth of projects that were
18 canceled that would not seem to be necessary.

19 Similarly, for the 2021 fiscal year,
20 there's another 300 million dollars worth of
21 cuts in the projected projects, but it would
22 seem reasonable to assume that Congress will
23 pass a CARES 3 package and restore a large
24 part of that money.

25 Since we made back all but 68 million

1 dollars last year, and if CARES 3 does give us
2 a relative cushion as far as sufficient
3 funding to return to those projects, is
4 PennDOT willing to restore many of those
5 projects that were cut, to the tune of 9
6 hundred million dollars over the last two
7 years, when we get the results of CARES 3?
8 And how soon?

9 You know, I think a lot of people out
10 there are looking to PennDOT to revise it's
11 projections along these lines.

12 SECRETARY GRAMIAN: Sure. Chair
13 Hennessey, if we have more money, we're going
14 to put it into the lettings and into
15 construction projects. The numbers that we've
16 shared with you is the losses to date, and
17 traffic is slowly coming back -- not slowly,
18 actually I should say it's at 85 percent right
19 now. So, we're very hopeful that the future
20 is bright for us and we can do more.

21 And, again, looking back at where we
22 were the previous years and where we are
23 today, we wanted to make sure, at a minimum,
24 we can invest 1.9 billion into our letting
25 program. And if there is more money to be put

1 into our construction projects, we will
2 definitely put it into construction projects.
3 But we needed to adjust our program just to
4 make sure that we do not overspend.

5 Chair Hennessey --

6 REPRESENTATIVE HENNESSEY: Well, I
7 think we all agree with that.

8 SECRETARY GRAMIAN: Yes.

9 REPRESENTATIVE HENNESSEY: Actually,
10 I'd like to move on, if I could, to another
11 issue.

12 SECRETARY GRAMIAN: Absolutely.

13 REPRESENTATIVE HENNESSEY: The actual
14 motor license fund revenue receipts are down
15 only 2 and a half percent between 2020 and
16 2021, but PennDOT continues to project future
17 losses at a 15-percent rate. Those
18 projections are important indicators to a lot
19 of people and negatively affect a lot of
20 financial decisions that are made across the
21 commonwealth.

22 Can you give us any idea when we can
23 anticipate PennDOT revising some of those
24 projections to allow our people to feel more
25 secure in terms of what the future holds for

1 the transportation industry in Pennsylvania?

2 SECRETARY GRAMIAN: Chair Hennessey,
3 I'd like to know where you get the projections
4 from, the numbers from. We build our budget
5 and our program based on the numbers we get
6 from the Department of Revenue -- obviously,
7 that's how we develop our program -- and also,
8 the actual revenue that we see.

9 So, again, as we get more money, we
10 do more projects. We don't put them away. We
11 put them back into the projects.

12 REPRESENTATIVE HENNESSEY: Okay. I
13 guess the point I'm trying to make, the sooner
14 we make those decisions at PennDOT, the better
15 for the industry in Pennsylvania.

16 We've had a lot of talk about P3
17 tolling prospects in Pennsylvania. I do want
18 to ask one question.

19 I know it's authorized under the law,
20 but why has PennDOT chosen to go the P3 route
21 as opposed to -- at a time when bond interest
22 rates are very low, why has PennDOT put all
23 its chips into the one basket of going through
24 P3 projects when, you know, we hear about a
25 lot of bankruptcies, a lot of insecurities, a

1 lot of contract problems that have had -- that
2 have occurred not only in Pennsylvania but in
3 other states with regard to these kind of
4 projects.

5 Why have we put such a substantial
6 investment -- or proposing to put such a
7 substantial investment into a P3 project
8 category as opposed to just going ahead and
9 bonding?

10 SECRETARY GRAMIAN: So, P3 projects,
11 P3 contracting gives us the opportunity to pay
12 for the project through availability payment
13 and collection of tolls. We wanted to make
14 sure that the users are paying for these
15 projects, the people who are using the
16 facility, the traffic that goes over the
17 bridge, that traffic that's coming from out of
18 state going through the facilities are paying
19 their fair share. That was really important
20 to us.

21 You mentioned the bonding. Yes, it's
22 at the lowest interest rate right now, and I
23 agree with you. However, if we borrow, we
24 need to pay. And for us to pay, it has to
25 come from our motor license fund. If we

1 borrow money, if I bond for our programs, it's
2 going to come out of the future years to pay
3 for those funds. When the times -- I mean,
4 when there is no additional revenue coming
5 into the department to pay for the bonds, that
6 means that it's going to take away from the
7 future programs. That's why we're considering
8 this Pathway tolling project.

9 REPRESENTATIVE HENNESSEY: Okay. So,
10 it's really reliance on the federal
11 authorization for tolling that's driving the
12 moved toward a P3 project framework as opposed
13 to traditional bonding for highway projects.

14 SECRETARY GRAMIAN: Federal
15 authorization as well as the state
16 authorization under the P3 law, Act 88.

17 REPRESENTATIVE HENNESSEY: Okay.
18 Thank you.

19 That's all I have.

20 SECRETARY GRAMIAN: Thank you.

21 MAJORITY CHAIRMAN SAYLOR: Next is
22 Representative Bradford.

23 REPRESENTATIVE BRADFORD: Thank you,
24 Chairman.

25 Secretary, I just want to start with

1 a quick question for you. We know that we've
2 not actually discussed it at any great length
3 today, but we have a not insignificant funding
4 cliff for Transportation that will come due
5 for next year.

6 Are you aware of any legislation
7 proposed in either the House or the Senate to
8 deal with the Transportation funding cliff
9 that we'll have to deal with in this session
10 of the legislature?

11 SECRETARY GRAMIAN: I'm not aware of
12 any.

13 REPRESENTATIVE BRADFORD: Thank you.

14 By means of commentary -- that's my
15 only question, Secretary -- but I do think
16 that shows what is the real problem, because
17 what should be a budget hearing for talking
18 about the challenges that we face over not
19 just the next twelve months but, frankly, the
20 next eighteen months, it is obvious that,
21 while we should be having a budget hearing --
22 and I say this with -- I was joking with my
23 fellow chairman that what should be a budget
24 hearing broke into an emergency meeting of the
25 free lunch caucus and joined by the NIMBY

1 caucus.

2 And I say that with a smile because,
3 listen, everyone has parochial interests, and
4 we respect and understand that. But the
5 simple reality is there are big bills coming
6 due. There is capital needs that have been
7 deferred. And there's been suggestions made
8 that boarder on demagoguery, and do not even
9 remotely, in terms of scope, in terms of
10 practicality, deal with the challenges in
11 front of us.

12 I've heard we shouldn't have fees and
13 we shouldn't have tolls, but we should have
14 ATV and we shouldn't deal with any of the
15 efficiencies that the transit agencies and
16 PennDOT have come up, whether it was getting
17 rid of stickers or shortening hours at
18 offices.

19 Now, look, we can have legitimate
20 discussions on any one of those topics, and I
21 don't want to be Debbie Downer and say none of
22 these are good ideas. Maybe they are, but
23 they come with a cost. And this body -- and I
24 think my good friend from Luzerne County, the
25 Transportation chair, did an excellent job of

1 laying it out.

2 I have also heard some ideas that
3 are, frankly, startling. The idea that we
4 should just freeze operations in the five
5 counties of our mass transit agency. The idea
6 that anyone would propose that, some of the
7 same folks who make blistering arguments about
8 the need to be pro-business. The idea that
9 workforce, that consumers, that our very
10 economy could continue to run in southeastern
11 Pennsylvania without mass transit is
12 startling. And that's not coming from a
13 progressive Democrat. That's coming from our
14 chamber of commerce, that's coming from
15 Republican leaders in southeastern
16 Pennsylvania, who recognize that this is
17 insanity, the very definition of it.

18 The demagoguery which is so
19 problematic which makes these discussions even
20 harder is those who would say, those dollars
21 are going to be driven from northeastern PA to
22 pay for SEPTA. Come on. That is insane. We
23 all know that.

24 The reality is, in many ways, the
25 economic engine in Pennsylvania happens to be

1 in southeastern Pennsylvania, and I have my
2 own parochial concerns there, because that's
3 where my legislative district is.

4 But we need to realize that
5 southeastern Pennsylvania only does well if
6 this whole commonwealth does well and vice
7 versa. And when we artificially pit each
8 other against each other, we do so at the
9 detriment of our entire commonwealth. We are
10 as invested in the port authority in
11 Pittsburgh as we are in SEPTA in southeastern
12 Pennsylvania and all those transit agencies in
13 between. But demagoguery and needlessly
14 pitting regions of Pennsylvania against each
15 other is not only bad politics, it has led to
16 bad policy.

17 And let me talk about that bad
18 policy, and Chairman Carroll covered this
19 pretty well already, going back to Act 44 and
20 going back to money that was supposed to come
21 from tolls back then and then the game that's
22 been played and the debt that has been
23 incurred by the turnpike. We now find
24 ourselves with a turnpike with 11 billion
25 dollars in debt. Tolls have gone up and will

1 continue to do so as far as the eye can see.
2 New capacity projects, that is those of us who
3 want to grow, like in southeastern
4 Pennsylvania who know that we're going to need
5 more in additional slip ramps to have that
6 growth and that the economic vitality, are
7 being put off because that agency is, instead
8 of getting the ability to do pro-business
9 opportunities like that, instead we are
10 handing them crushing, mounting, unacceptable
11 debt. Eleven billion dollars already, tolls
12 going up. No ability to invest long term in
13 this economy.

14 And I hear my good friend talk about
15 borrowing, instead of 3Ps. Let me tell you,
16 that makes a lot of sense to a lot of us. But
17 here's the problem, and the secretary hit the
18 nail right on the head. P3s come with
19 repayment; borrowing requires this body to
20 show the courage to repay.

21 We demagogue taxes. We demagogue
22 tolls. We demagogue and demagogue and
23 demagogue. And we defer maintenance, and we
24 defer capital investment. And we have budget
25 hearings that turn into meetings of the free

1 lunch and the NIMBY caucus.

2 Let's start acting like serious
3 people who have serious challenges: A funding
4 cliff right in front of us and a horizon of
5 challenges that we have shown a complete
6 unwillingness to address.

7 Thank you, Chairman.

8 MAJORITY CHAIRMAN SAYLOR: Let me
9 start off, I think the general assembly has
10 grown tired of this administration's want to
11 raise taxes on everything. But I will say,
12 Madam Secretary, that I think your proposal
13 for P3s on the bridges are reasonable, things
14 that can be discussed as we move forward. I
15 think that the fact that it's going to have a
16 lot of public hearings between now and the
17 time that they're implemented is good.
18 Taxpayers across Pennsylvania will get an
19 opportunity to voice their opinions, and that
20 is always good when we have transparency.

21 Look, I think the most difficult
22 problem out there is -- I have served as
23 chairman of our technical and as well as our
24 coordinating committee of the YAMPO in York,
25 or the MPO, and have seen personally formulas

1 and the problems that are in our highway
2 system, which average taxpayers across the
3 state -- in fact, I would say most legislators
4 don't understand, and that is that we are a
5 state that sits on the Mason-Dixon Line. We
6 freeze and thaw twenty-four to thirty-six
7 times a year. We're a state with a lot of
8 bridges. A lot of bridges. I think we are
9 the second highest in the country. With that
10 comes a lot.

11 What I also encourage people to do on
12 both sides of the aisle is take a look at
13 other states and how they fund it. The state
14 of Maryland uses personal income taxes as well
15 as highway gas tax. That's why their gas tax
16 is lower. We, in Pennsylvania, are at a
17 disadvantage. Many, many, many years ago,
18 long before a lot of us in the institution
19 were born, we had a governor who decided he
20 was going to pave every dirt road in
21 Pennsylvania. There's still a few left. And
22 in doing so, he never gave those roads back to
23 the townships and the boroughs, which has
24 created a heavy burden.

25 Just to the south of us, since it's

1 my neighbor and my district borders it,
2 Maryland, most of their highways are county
3 highways.

4 So, when you have a state as diverse
5 as we are -- Pittsburgh has many bridges, the
6 southeast relies heavily on SEPTA -- we have
7 to start looking at reforming the way we do
8 things. SEPTA is never going to be back to
9 where they were. Let's face reality.
10 Companies have figured out that they don't
11 need to have everything in an office building.
12 We're going to see office buildings up for
13 sale, and there's going to be a lot of losses,
14 of real estate loss, because those buildings
15 are going to be empty now, whether it's in
16 Philadelphia, York, or Pittsburgh, doesn't
17 matter.

18 SEPTA is never going back to the
19 amount of people on it. They need to now take
20 this opportunity to rightsize, whatever that
21 may be. I mean, when I've been to the King of
22 Prussia mall, I see a bus at every story every
23 fifteen minutes. Now, as somebody who's going
24 to ride a bus, I don't need a bus at every
25 store every fifteen minutes. SEPTA needs to

1 understand, people can wait a little bit
2 longer not to have a bus there every fifteen
3 minutes. So, SEPTA needs to reform.

4 We, as politicians, my colleague
5 across the aisle, Representative Bradford, has
6 mentioned about we all like to cry and whine.
7 Well, we do; we're politicians. But that goes
8 for both sides of the aisle.

9 Last session I challenged both
10 Republican and Democratic chairmen of the
11 Transportation committees to come up with a
12 solution to the state police problem. Yet, no
13 bill came out of committee. I am inviting the
14 chairmen of the Transportation Committee,
15 Democrat and Republican, to help put
16 together -- and I'm glad to work with you and
17 I think a lot of us in this chamber will be
18 glad to work with you to come up with a
19 formula.

20 The governor keeps proposing the same
21 formula, which even both sides of the aisle
22 will never vote for. So, we need to come up
23 with a proposal that politically makes sense
24 for us to fund the state police. But it's got
25 to be bipartisan. I, along with

1 Representative Sturla, have introduced
2 proposals. I believe even Representative Seth
3 Grove has introduced proposals in the past.

4 So, my suggestion is that if we start
5 working bipartisanly to solve some of these
6 transportation problems and quit pointing
7 blame on one party or the other, we'll get
8 there. But it's going to take a team effort,
9 simply because nobody -- Pennsylvania's
10 unique. Let's be honest. We are a unique
11 state, not only where we're located, not only
12 because we have the most highways in the
13 country with wintertime versus other states in
14 the south who have highways but nowhere near
15 what we have, and they have warm winters and
16 falls and everything else.

17 So, all I'm going to say here today
18 is, Madam Secretary, is I've really
19 appreciated your time and your straightforward
20 answers to the questions today. And I look
21 forward to working with you over the next
22 session here in trying to delve into some of
23 these problems and get solutions.

24 I know you have a very difficult job,
25 and I very much appreciate the fact that you

1 come from the real world of the construction
2 industry. That's what secretaries of
3 Transportation should be, because they've
4 dealt with the problems in the private
5 industry before they came to state government.

6 So, again, I want to thank you for
7 being here today and taking all the tough
8 questions.

9 And, with that, I'm going to adjourn
10 this meeting till 2 o'clock, when we will be
11 back here with the Department of General
12 Services.

13 Madam Secretary, before you go, if I
14 may, I forgot one question I did want to ask
15 you. Am I correct in saying that the average
16 Pennsylvania car driver spends roughly 380
17 dollars a year in gas taxes?

18 SECRETARY GRAMIAN: About, yes, or
19 maybe even less. You're correct.

20 MAJORITY CHAIRMAN SAYLOR: Would you
21 agree that that should be the registration fee
22 for electric vehicles who are also going to
23 traveling that same amount of mileage?

24 SECRETARY GRAMIAN: Representative
25 Saylor, this can be debated, and I can share

1 with you what some of the other states are
2 doing. Because we are talking about average,
3 right? When we talk about average, there are
4 people who actually drive more, they're people
5 who drive less. Some solution to dealing with
6 the average situation is, you put a high end
7 to how much you want to charge, and if the
8 drivers want to come through with showing
9 documents that they're paying less, they can
10 paying less; they can get the credit. This is
11 one idea.

12 I think either way, something should
13 be considered and should be implemented sooner
14 rather than later.

15 And, Chair Saylor, I really
16 appreciate your support. I do. Thank you.

17 MAJORITY CHAIRMAN SAYLOR: Madam
18 Secretary, the problem has been -- and I think
19 all the members here need to realize -- that
20 if we don't pass this, some kind of major
21 registration fee for electric cars, none of
22 you are going to be willing to pass it in five
23 years from now, when a lot of people have
24 electric cars. We've got to get this right
25 now.

1 We can't pass it off and say, Well,
2 we'll put it at 150 dollars or whatever it may
3 be and we'll come back and raise that
4 registration fee. Because across the east
5 coast, the average registration fee for cars
6 is right around 268 dollars in other states,
7 except for the state of Maryland. I want to
8 see any legislator here say they're going back
9 home and tell the people who drive cars
10 they're raising registration. It's not going
11 to happen.

12 So, we got to get this right in the
13 general assembly. We can't play games. I
14 realize people who drive electric cars and who
15 will in the future say, "I'm saving the
16 environment," no disagreement, and I like the
17 idea of electric cars. That's great. But
18 everybody has to pay their share, and we have
19 to do it right, because if we don't get it
20 right, it will be another mistake this general
21 assembly has made.

22 And with that, thank you very much.

23 (Whereupon, the hearing concluded at
24 12:58 p.m.)

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REPORTER'S CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true and accurate transcript, to the best of my ability, produced from audio on the said proceedings.

BRENDA J. PARDUN, RPR
Court Reporter
Notary Public