



GREATER PHILADELPHIA CHAMBER OF COMMERCE

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Testimony of

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Good morning Chairman Rafferty, members of the Pennsylvania Senate Transportation Committee, other lawmakers and guests. I am Rob Wonderling, President and CEO of the Greater Philadelphia Chamber of Commerce. I am honored to come before you today with my friend and colleague Tom Caramanico, P.E. and CEO of McCormick Taylor.

The Greater Philadelphia Chamber represents 5,000 member companies who employ more than 175,000 men and women across this region. Today, Tom and I are also here on behalf of the CEO Council for Growth, a devoted group of local business leaders who are working to accelerate the economic growth and enhance the competitiveness of the Greater Philadelphia region.

Our region's business community firmly believes that a strong transportation system is the lifeblood of a robust economy. The time is right for significant investment in the state's transportation infrastructure to address decades of insufficient funding, maintenance backlogs and necessary capital improvements.

We commend Senator Rafferty for his leadership and success in winning overwhelming and bipartisan passage of Senate Bill 1, a comprehensive and sustainable new strategy to invest in all elements of Pennsylvania's mobility network; our highways, bridges, transit systems, rails, ports and airports. Together with members of this Committee, and Republicans and Democrats from across the Commonwealth, you sent to the House a viable plan that begins to address Pennsylvania's infrastructure funding deficit through user-related revenue enhancements and operational, money-saving innovations and reforms.

Please, be assured of our continued efforts to urge final action on Senate Bill 1. We continue a strong advocacy campaign with our partners at the Allegheny Conference and in organized labor, and with a broad group of stakeholders in the Keystone Transportation Funding Coalition.

Today, I would like to examine the need for investment in Pennsylvania's transportation infrastructure – and focus on our roads, bridges and the strong transit networks, especially in Philadelphia and Pittsburgh that help to drive the metropolitan regions that account for roughly two-thirds of the state's workforce and economic activity.

A safe and efficient transportation network is critical to workers and employers across the commonwealth – to reduce travel time and increase reliability, and to lower costs for commuters and lead to greater economic productivity for businesses.

TRANSIT

Transit ridership in the southeast region is at an all-time high despite a \$5 billion backlog in repairs and capital investment the lowest in 15-years.

SEPTA provides essential services that enhance mobility, reduce pollution and congestion on our roadways, enable employees to get to work, students to get to school, and residents, visitors and shoppers to enjoy all of the amenities of the region. SEPTA is a vital component of our region's economy and our prospects for future growth and job creation.

- Employers, commuters, and consumers depend upon the safe, reliable and affordable service that SEPTA provides.
- About 70% of all Center City office workers take all modes of public transit into Philadelphia each day – that is 305,000 people who are not driving on our roads, bridges and highways – these figures were confirmed by a new report by the Center City District.
- In the southeast region, where a total of 1.8 million people are employed, more than 18% ride SEPTA buses, rails and subways daily.
- 1500 businesses in Greater Philadelphia find transit ridership important enough to offer tax-advantage transit benefit programs to their employees.
- 65,000 students at middle schools, high schools and colleges use SEPTA public transit
- Senior Citizens take more than 95,000 daily trips on SEPTA fixed route services.

Without a new, predictable funding stream, SEPTA's system improvements and projects will be deferred for the foreseeable future impacting customer satisfaction and ridership. Deferred projects include the Paoli Transportation Center, the Elwyn-Wawa and City Hall Stations, and parking at Ardmore, Lansdale and Exton.

Regional rail service, which logged a record 36 million trips last year transported workers, students and shoppers to businesses, schools and stores in the city and in the suburbs. Lack of investment could force rail service reductions, impacting reliability and ridership. SEPTA estimates that 37% of regional rail riders could return to their cars and local roads and highways – increasing congestion and limiting the mobility of our region's workforce.

SEPTA increases our region's livability and competitiveness as a business location because it offers an efficient alternative to driving, enhances our historic infrastructure and pedestrian oriented communities and gives employers access to a workforce located throughout the region. This aspect is most crucial – **workforce mobility is key to our region's economy.**

At **Brandywine Realty Trust's Cira Centre**, located directly above the tracks of Philadelphia's 30th Street Station - the third busiest station in the United States and our local transportation hub – they estimate that 80% of the overall employee population takes public transportation to work. A shuttle service provided by Brandywine is used by 200 to 400 riders per day, both residents of center city who use it commute to work and employees who use it to visit center city for personal or business use. At Brandywine's other Center City locations, they estimate that 55%-65% of the employees use public transportation to get to work.

In a March 2013 survey of **Temple University** students, faculty, and staff, 48% of respondents commute to the center city campus by regional rail service. 22% ride the subway or trolley. These commuters view public transportation as more convenient and efficient, reliable and fast. A total of 16,598 students and 4,551 faculty and staff ride transit to and from Temple University each day.

Students, faculty and staff at the University of Pennsylvania and Drexel University also depend on SEPTA to reach their classes and jobs, and resident students use public transit to explore Philadelphia's historic, entertainment and cultural resources.

Nearby, at the corporate headquarters of Comcast, Independence Blue Cross and PECO Energy, workers from the tri-state region utilize regional rail lines as well as the bus, elevated, subway and subway- surface lines to get to their offices each day. Employees use tax-advantaged transportation spending accounts and company-run convenience stores sell SEPTA passes and tokens.

Large employers aren't the only businesses who recognize the importance of public transit for their employees and for the operation of their businesses. Small and medium sized businesses rely on the region's rail and bus systems to transport their workers, customers, patients, and clients.

For example, at the **Greater Philadelphia Chamber of Commerce**, we have 106 full-time employees. 42 individual members of our staff participate in tax-free transit spending accounts, buying transit checks through payroll deduction and saving a few hundred dollars annually in taxes. In addition, many of our staff frequently utilize public transportation to attend meetings and events throughout the city and the region.

What will investment in transit bring:

Investment in public transit will enable system repair and improvements to promote ridership. One bus removes 40 cars from the road and one train removes 120 vehicles. Public transit relieves congestion and significantly reduces fuel consumption and annual emissions of pollutants improving air quality.

The ease, economy and convenience of public transit helps to drive business development.

Consider the Navy Yard

- In 2012, average mass transit trips/day: 299
- As of Aug 2013, average mass transit trips/day: 1,069

This 357% increase in ridership is a direct result of having created the Navy Yard Bus Shuttle program that went into effect on December 3, 2012, plus the arrival of **Glaxo Smithkline** in February, 2013. PIDC projects that ridership will continue to increase by at least 20% in 2014.

In the Philadelphia suburbs, developers like **Brandywine Realty Trust** have built office parks with particular consideration of access to public transportation. Employers have realized that public transit is an important benefit for their employees, often subsidizing their fares and operating shuttles from local stations.

- Vanguard operates 7 shuttles from the Paoli and Strafford Regional Train Stations, and the Norristown Transportation Center
- Brandywine properties are served by shuttles from the Radnor, Wayne and Norristown stations.
- Shire Pharmaceutical runs 2 shuttles for employees from the Paoli Train Station.
- King of Prussia employees and shoppers, are delivered via the Connector, a shuttle service from the Norristown Transportation Center and the Wayne Train Station
- GSK employees are also shuttled between the Gulph Mills Norristown High Speed Line Station and their plant in King of Prussia.

Without a funding solution, continued threats of service reductions and fare increases, as well as the inability to respond to consumer suggestions and complaints will continue to cost SEPTA ridership. If train frequency drops, commuters will be forced to return to their cars, clogging roads, bridges and highways.

Just this week, the Transportation Management Association of Chester County (TMACC) learned that the state's match portion to the federal Job Access Reverse Commute (JARC) program for fiscal year 2014 would be reduced by \$156,000. This funding loss will force TMACC to review current bus service schedules and reduce daily service by up to three (3) round trips from Oxford to West Chester and four (4) round trips between Coatesville to Parkesburg or evening service between Coatesville and Exton Square Mall. With the reduction of funding, necessary service reductions will impact people's ability to get to and from employment as well as access medical appointments and shopping.

ROADS AND HIGHWAYS

Congestion and poor road conditions choke commuting and commerce, and cost the average commuter over \$1000 last year.

The Federal Highway Administration recently announced that I-76, the Schuylkill Expressway, is the busiest highway in Pennsylvania – motorists drive 4.3 billion miles on this traffic-congested highway each year. Commuters drive 2 billion miles on I-476, and 1.8 billion miles on I-95.

A report from the Texas A&M Transportation Institute found that Americans wasted an average of \$818 each sitting in traffic last year. Travellers also spent \$373 for vehicle damage due to poor road conditions, plus researchers are now documenting the amount carbon dioxide entering the atmosphere because of traffic congestion.

Another study by TRIP, a national transportation research group, estimates that Pennsylvania roadways cost the state's residents approximately \$9.4 billion annually in the form of additional vehicle operating costs, the cost of lost time and wasted fuel due to traffic congestion and traffic crashes. In the Philadelphia region, TRIP estimates the costs to motorists of driving on roads that are congested, deteriorated and that lack some desirable safety features is \$1,798.

73 percent of major urban roads in Philadelphia are in either poor or mediocre condition, and the average commuter loses 48 hours and 23 gallons of wasted fuel each year.

What can investment and road improvements mean?

The Federal Highway Administration estimates that each dollar spent on road, highway and bridge improvements results in an average benefit of \$5.20 in the form of reduced vehicle maintenance costs, reduced delays, reduced fuel consumption, improved safety, reduced road and bridge maintenance costs, and reduced emissions as a result of improved traffic flow.

Consider Great Valley

- With a \$60 million investment, a new PA Turnpike interchange opened at Route 29 in December 2012.
- With another \$290 million state investment, US Route 202 will be widened and completed in 2014-15.
- Great Valley area now is considered to have Outstanding Accessibility:
 - reduced commuting times to/from Great Valley Corporate Center (GVCC) by 20 to 25 minutes
 - expanded the geographic reach within the area.

According to **Liberty Property Trust**, the total \$350 million public infrastructure investment spurred over \$325 million in private investment. LPT will invest \$70+ million in 2013. Four new Corporate Headquarters have located in Malvern since the announcement of the new PA Turnpike Interchange:

- Meridian Bank (30,000 sf),
- Cube Smart (90,000 sf),
- Ricoh (107,000 sf) and
- Endo Pharmaceuticals (300,000 sf).

The Great Valley area also now boasts an expanding amenity base including new retail investment and multi-family development.

Amid this exciting economic development in Chester County, however, 13 state-owned bridges and 13 locally-owned bridges will soon be weight-restricted, impacting deliveries and commuters, and limiting passage for goods, services and people.

BRIDGES

Pennsylvania leads the nation in the number of structurally-deficient bridges, and new weight-restrictions on 1000 Pennsylvania Bridges will further restrict the efficient movement of goods, services and people.

Without action on a new transportation funding plan, PennDOT funding for bridge repairs remains uncertain. 66 state bridges in the five-county Philadelphia region will be posted in the coming weeks with a weight limit or have a weight limit lowered to slow the rate of deterioration of those bridges, extend their service lives, and ensure safety. 48 local and county owned bridges will also be affected, and 20 additional state bridges are expected to be restricted at a later date.

Pennsylvania currently leads the nation in the number of SD bridges with 4,479. Pennsylvania ranks 35th in the nation with the percent of SD bridges that are posted or closed – after these new restrictions are put in place, Pennsylvania will rank 27th in the nation.

According to the Delaware Valley Regional Planning Commission (DVRPC) and PennDOT - every day, in our five-county region, an average of 523 trucks carry goods, services and people across 66 state-owned bridges that will soon be weight restricted. The average detour length around these new weight-restricted bridges will be 4.7 miles.

- Tractor-trailers, dump trucks, cement trucks and garbage haulers will be affected most.
- Fire trucks, ambulances, delivery trucks and buses could also be detoured.
- Freight operations, shipments, and deliveries will be impacted, affecting business operations along every supply chain.

- Weight-restrictions and route diversions will create more incidences of smaller shipments, increasing delivery costs and threats to just-in-time delivery practices to manufacturing sites and employment locations.
- Detours will force trucks and more traffic onto local roads increasing congestion and air emissions in unsuspecting neighborhoods and communities.

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Repair and improvement to roads and bridges throughout Pennsylvania are essential elements of the state's transportation funding plan to increase safety, relieve congestion, lower commuting costs, reduce pollution and improve commerce and mobility.

A safe and efficient transportation network is critical to workers and employers across the commonwealth – to reduce travel time and increase reliability, and to lower costs for commuters and lead to greater economic productivity for businesses.

On behalf of the region's business community, again we thank Senator Rafferty, the members of this Committee and those testifying today for their efforts to resolve Pennsylvania's transportation infrastructure challenges. We look forward to working together with each of you this fall to win passage of a comprehensive new transportation investment strategy.