

I'd like to thank the Pennsylvania Senate Transportation Committee for the invitation to speak at this hearing today.

My name is Ross Myers. I am the Chairman and CEO of American Infrastructure. American Infrastructure is the largest civil contractor in the Mid-Atlantic region as ranked by *Engineering News Record* magazine, a nationally respected construction trade journal. In 2012, the company was named Contractor of the Year by the Associated Builders and Contractors, a national trade organization. Our employees have voted American Infrastructure as one of the Top 100 Places to Work in Pennsylvania more times than any other contracting company. We have been nationally recognized for our training and leadership development programs, and care deeply about our employees and their careers.

American Infrastructure operates in five states, and is headquartered in Worcester, Pennsylvania, in Montgomery County. The company will celebrate its seventy-fifth anniversary in 2014, and for all of those 75 years, that Worcester address has been our home office. "Home office," in this case, is more literal than you might think. The small company founded by my grandfather and father in 1939 operated out of a roll-top desk in the corner of the parlor of the family's 18th-century farmhouse on that property for the first 20 years of its existence. The two men were dairy farmers who envisioned a better life for themselves and the family, so they took a giant leap of faith by selling six dairy cows to raise the down payment for a Ford dump truck, which they bought to go into the hauling business. Today that company employs almost 1,800 people and is on track to perform \$800 million of work in calendar 2013.

I relate this background to you so you understand that I have a genuine, life-long affection for Pennsylvania and I am an advocate for it at every opportunity. But even my affection for it can't hide my current disappointment in its lack of economic vitality or the prospects of any actions being taken to restore it. Sad testimony to my feelings of disappointment is a recent article in *Chief Executive Magazine*, which ranked Pennsylvania at number 42 out of the 50 states in an article entitled 2013's Best and Worst States for Business. Even more painful is that just four years ago Pennsylvania was ranked number 29, an incredible loss of 13 places.

It's against that backdrop that we are here today to talk specifically about Pennsylvania's transportation sector. I mentioned earlier that we work in five states. We work in five states because getting the bridge and highway work we need to survive as a company means, frankly, we have to search outside Pennsylvania to find it. No one knows this better than my employees, many of whom have had to move themselves and their families to other states because that's where the work is. Many of those who can't move, or have chosen not to, have lost their jobs or fear losing them. Not many years ago, nearly everybody employed by American Infrastructure lived and worked in Pennsylvania. Today, only about half of them do. Back then, nearly 100% of our revenue was earned in

Pennsylvania. Today, it is less than one-third. In actual numbers, we now employ 417 fewer people in Pennsylvania than we did in 2006. In the past five years, we have invested \$25 million in asphalt plants in other states, and have invested in no fixed assets in Pennsylvania. People here can't help but see the writing on the wall, and the question I'm most often asked in the field is, "Do we have work, boss?"

The fact is that, in Virginia and Maryland, we have plenty of work. We recently won a four-year, \$1.4 billion project building a new limited access toll road connecting Norfolk, Virginia, to Richmond. We will also do hundreds of millions of dollars worth of work in Maryland this year, including hot lanes on I-695, the Baltimore Beltway. We work on I-95 in Maryland on a continuous stream of projects. For perspective, understand that our work is just a small percentage of all the new work that has been funded and scheduled in both those states. Maryland Governor O'Malley announced last week an additional \$1.5 billion in new state funding in the Baltimore area alone. Between April and September of this year, Virginia's Commonwealth Transportation Board has or will advertise for ten new Design-Build projects totaling more than \$500 million. The Board will also make available an additional \$14.1 billion for highway and bridge improvements in a new six-year plan.

By contrast, Pennsylvania has approximately 6,000 deficient bridges, many of them closed and many still open but posted with new, lower, weight restrictions. Pennsylvania's roads are ranked among the worst in the nation by the American Trucking Association. A recent *Reader's Digest* study places Pennsylvania at number 47 out of the 50 states by using the latest data for spending, road and bridge condition and other metrics. If you need to be reminded how bad our roads are, compare driving on I-95 in Maryland with Pennsylvania, and you won't need a sign telling you which state you are in; you'll know it in the seat of your pants. It goes without saying, of course, that many Pennsylvania contractors, including me, would be happy to get the work to fix the state's highway and bridge problems. But that's another conversation, and it's not why I am here. Thinking only in terms of how much money needs to be spent to fix these problems is, in my view, short-sighted and only serves to obscure the bigger problem of Pennsylvania's continued economic decline if it does not get spent at all.

Companies thinking of locating to Pennsylvania take one look at our aging infrastructure and ask themselves if they can afford to ship or deliver anything that might be subject to unexpected delays, detours or congestion. Last week PennDOT announced new weight limits on two heavily used bridges right here in suburban Philadelphia, one in Clifton Heights and one in Norristown. The Clifton Heights posting means a four-mile detour for trucks over 36 tons. A fully loaded tractor trailer weighs 40 tons, and in suburban Philadelphia, a four-mile detour could easily take an hour. Tuesday's edition of the *Philadelphia Inquirer* published a story listing 134 bridges in the Philadelphia five-county region that

will be re-posted soon because many of them may not be able to support a fire engine or a school bus. What company could possibly view this situation as a competitive advantage? No company I can think of, including my own. And when a competitive advantage can't be found, what incentive is there to do business here? Less business means fewer people working. Fewer people contributing to a local economy strains budgets and leads to curtailed services. Fewer people working invariably leads to a generally weakened economy, in which no state or municipality can thrive and grow, which they have to do to survive.

As someone who has fought all my life for the next inch of ground and that next nickel of revenue, I have learned the importance of dealing with my competitors from a position of strength. Pennsylvania seems not to have learned that lesson and seems content to let the competition, which is to say states like Maryland and Virginia, walk all over it. It's also why American Infrastructure is actively seeking work in West Virginia and North Carolina, and has just been short-listed for our first project in Ohio. I know for a fact that other companies like mine are taking the same initiative.

Remaining in its uncompetitive posture has put and will keep Pennsylvania in the position of an also-ran and a second-rate player. I cannot understand why Pennsylvania is not willing to see the damage it is doing to itself and remains unwilling to do anything about it. The negative economic impact of this intransigence to all Pennsylvanians has been quantified and reported by others. But my concern is much greater than that. I believe we are risking Pennsylvania's standing on the national stage, and the negative impact of that is incalculable.

Thank you for your time.