

Acting PennDOT Secretary Yassmin Gramian Confirmation Statement

Chairwoman Ward, Chairman Sabatina, and members of the Transportation Committee, thank you for the opportunity to discuss our transportation system with you. To be chosen to lead an agency overseeing one of the largest networks in the country is the greatest honor of my career.

It is impossible to ignore the situation we're currently in due to the COVID-19 pandemic, but in many ways what I have to say today hasn't changed, but rather strengthened, since this began. I still have tremendous pride and faith in what our team is achieving and how we will adapt for the future. We still have significant challenges and opportunities in sustainably investing in our system while attracting and retaining the workforce we need to support it.

I am passionate about our mission of maintaining and improving the network of roughly 40,000 miles of state-owned roads and roughly 25,000 state-owned bridges, 35 fixed route transit systems, 125 public-use airports, 243 private-use airports, 284 private-use heliports, three ports and the privately-owned network of more than 5,600 miles of freight railroad lines. With another 78,000 miles of municipal and county roads, and 6,400 local bridges, our responsibilities and partnerships are vast.

We carry not only the responsibility for this system, but also the driver and vehicle services that serve the millions of Pennsylvanians accessing it. In furnishing the state's 12 million vehicle registrations and 10.4 million driver's licenses and IDs, we have been laser focused on improving the customer experience through system and facility upgrades. I am inspired by the ingenuity these teams are showing in the face of COVID-19 and I expect these enhancements to continue.

We recognize that we are linked to our economy in the best and worst of times. Examples of this connection are varied and widespread, with roughly 73 percent of our highway and bridge funding going to the private sector, our tie to all goods movement, and our supporting critical links to jobs and medical appointments via transit.

These functions of our operations and economy were already in a dire situation with funding, as I've discussed with you at length and testified earlier this year during budget hearings. We already knew we would have less in construction lettings compared to \$2.5 billion in 2018, and we now anticipate \$1.8 billion to \$1.9 billion in lettings this and next calendar year without federal assistance. In maintenance, reduced revenues mean we need to focus on lower-cost preservation activities in our pavement and bridge mission.

This situation underscores the fact that we can no longer rely on the gas tax to meet our highway and bridge needs. As vehicles become more efficient and even stop using motor fuels, we need to move to a truly sustainable revenue source. On top of these market realities, the federal government hasn't taken meaningful action on transportation funding in years, and we don't know how this pandemic will affect their willingness to step up to the plate.

We were already taking steps to adjust our long-term funding planning and our planning partners have made changes to planned projects as a result. While it is obvious that more investment is needed in our interstate system, additional funds going to our interstates beginning in federal

fiscal year 2021 means less funding available for the rest of the system. The national and local forecast of 30 percent revenue reduction as a result of COVID-19 makes this even more concerning. Additionally, due to the legislative requirements of Act 44 of 2007 and Act 89, without a sustainable alternative funding source for mass transit we cannot meet the needs for state-of-good repair projects, a reliable transit fleet, expanded services, or the initiatives needed to grow to support our communities.

These are significant, daunting challenges, and we will remain engaged with you to find sustainable solutions to meet these needs. At the same time, we are finding opportunities and innovations for our operations and workforce moving forward. By necessity, we are implementing and exploring new ways of doing business that not only should assist our business partners and customers, but will also attract and keep talent in the agency.

As we work through and eventually emerge from today's reality, I am committed to continuing our focus on diversifying our business opportunities as well as our team. I am inspired by the grit and persistence our employees have shown in the face of this virus and its impacts, and I truly believe we will be improved in many ways when the dust settles. Our efforts are evolving constantly as our circumstances change, a tribute to the dedication of our team and partners, and their ability to innovate and change course when needed.

As you are aware, PennDOT is a significant public agency in size and scope and touches many sectors of our economy. We are committed to continuous support of the state in our recovery of Pennsylvania's path forward. Were our mission dependent solely on people and not also finances, there's almost nothing we couldn't do.

However, our reality is that we have considerable hurdles facing us. PennDOT, as always, stands ready to get the job done. I am humbled by and appreciative of the opportunity to lead this great organization. Thank you, and I look forward to working with you all moving forward as we support our current reality while we also rebuild and reimagine our future.