

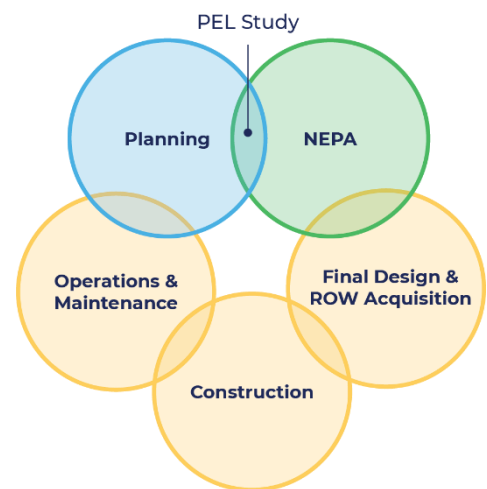
PennDOT Senate Transportation: Draft Planning and Environmental Linkages Study

Chairman Langerholc, Chairman Sabatina, and members of the Transportation Committee, thank you for the opportunity to discuss the latest milestone in our efforts to identify sustainable funding for our transportation system.

The department has shared extensively, in various forums, the revenue challenges we faced before the coronavirus pandemic and which COVID-19 has exacerbated. Information and images related to these challenges remain at www.penndot.gov/funding for your and the public's review.

In October 2020, the Office of Alternative Funding was created. This office was charged with developing an Alternative Funding Program for PennDOT and is investigating various alternative funding strategies to help augment our current revenue sources. In November 2020, through the office, the department launched a new initiative called PennDOT Pathways to analyze new future-focused sources of funding for our overall transportation systems that could better serve our communities.

As a part of PennDOT Pathways, we have embarked on a Planning and Environmental Linkages, or PEL, study. [Within the Pathways announcement](#), we kicked off the initial public feedback period to inform the PEL study. This document provides the programmatic framework for how PennDOT will study and potentially implement various alternative highway and bridge funding strategies in Pennsylvania. A PEL study integrates the planning and environmental phases of a program or project's development. By integrating environmental analysis steps during planning, the results can be incorporated into subsequent environmental documents prepared in accordance with the National Environmental Policy Act (NEPA) without repeating those steps; thereby promoting efficiency and potentially accelerating project delivery. The PEL lays out a methodology for evaluating the effects of tolling projects on low-income and minority populations, providing a foundation for future environmental review processes.



The PEL Study will serve as a guidebook as we pursue and implement alternative funding strategies to help support our entire transportation system. The most near-term funding needs are in our highway and bridge programs, but we will need to support transit, aviation, ports, waterways, and rail as well. The findings of the PEL study will help guide the implementation of future funding strategies and can be modified as needs evolve. The potential funding options include: bridge tolling, managed lanes, congestion pricing, corridor tolling, Mileage Based User Fees (MBUF) and fee/tax increases. In addition to sustainable funding, these options could reduce congestion and improve travel reliability and air quality, improving Pennsylvanians' quality of life with better infrastructure and connectivity.

After the PennDOT Pathways and PEL launch, in March 2021 Governor Tom Wolf established the Transportation Revenue Options Commission (TROC) which includes representatives of dozens of legislative, transportation, economic and social organizations. As the commission chair, I'm honored to lead this group –including Chairmen Langerholc and Sabatina – that will submit a report of recommendations for a path forward, including short and long-term solutions for transportation funding.

The Pathways PEL Study is a planning document, so it will act as a resource for the TROC as they work to identify which funding options will best meet our needs and eliminate our state's reliance on the gas tax. The draft study and the associated virtual public meeting platform and other materials have been provided to TROC members. As new information and data are collected and obtained, the PEL can be updated. Down the road, developments within the TROC could be incorporated into an update of the PEL. In this sense, the PEL can act as a living document.



We've now reached the next milestone in the PEL – a public comment period for the draft PEL study which builds on our engagement to date. Since the initial November 2020 announcement, following our February announcement of the nine candidate bridges in the Major Bridge Public-Private Partnership, and prior to this latest announcement, there had been:

- Over 4,000 responses to the initial baseline survey;
- Over 110,000 visits to our PennDOT Pathways website;
- Over 4,000 public comments;
- Two Equity in Tolling working group sessions; and
- Over 300 responses to our Environmental Justice-focused Pathways survey.

For the draft PEL study public comment period, which extends until June 1, 2021, we have developed a multi-pronged outreach approach with various options for the public and our stakeholders. This forum provides the draft PEL in a user-friendly format that allows visitors to review information at their own pace and on their own time, with the option to submit their comments at the bottom of the page without having to sit through a formal presentation. As of May 5, 2021, we've already had 782 visits to the virtual public meeting page.

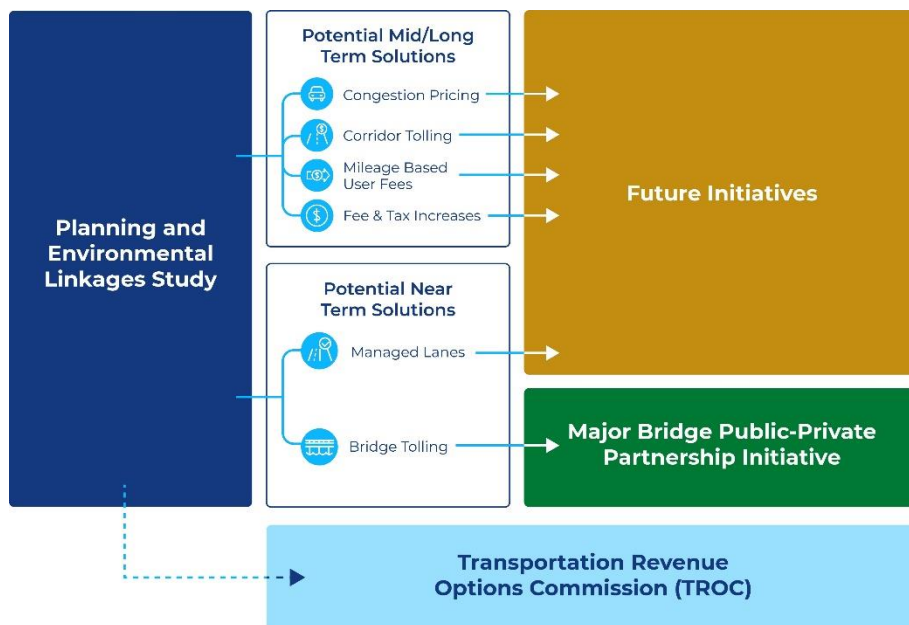
To complement this on-demand meeting site, we also held live Microsoft Teams presentations with stakeholder groups, legislative leadership, and the General Assembly. A recording of one of the presentations is posted on the PEL website. We also advertised in the PA Bulletin and across statewide medial channels, advertised for the virtual public meeting on social media, and sent an e-newsletter to a list of 5,000 interested members of the public and stakeholders.

On May 25 at 6 p.m. we will also hold a telephone town hall for members of the public that do not have internet access or prefer to learn about the PEL through a different channel. This will be published in the Pennsylvania Bulletin on May 15.

This expansive, on-demand virtual outreach is consistent with previous and expanding public outreach at the department. In recent years PennDOT has progressively provided more information online for construction projects and other initiatives while also meeting all public involvement requirements. This provides additional access beyond an in-person meeting or plans display. During the pandemic, these options have also helped ensure health and safety guidelines while also receiving public input.

DRAFT PEL STUDY

The PennDOT Pathways program is anchored by its PEL Study, which will serve as a living document to guide funding solutions that we implement in the future. An early finding of the PEL was that Bridge Tolling could be a feasible near-term solution. As a result, the Major Bridge



Public-Private Partnership Initiative was launched and in February 2021, we announced nine candidate bridge projects.

In the current feedback period, the public and stakeholders can review and provide input on options broader than just the Major Bridge P3 Initiative. In addition to Bridge Tolling, we've identified Managed

Lanes as a potential near-term funding solution. There are also options that may be feasible mid-to long-term funding solutions, like congestion pricing, corridor tolling, Mileage Based User Fees (MBUF) and fee/tax increases.


The PEL is broken down into sections the cover the following:

- Background about the transportation funding gap and needs;
- Discussion of alternative funding options and which might be candidates for near-term versus long-term solutions;
- Identifying methodology for addressing environmental effects of the solutions including effects on low-income and minority populations; and
- Public and agency outreach conducted as part of the PEL study.

Given PennDOT’s various hearings, media and stakeholder briefings on funding and the Major Bridge P3 Initiative, and the TROC’s continued reviews in the area of fee and tax increases, we will outline some of the other potential solutions in the draft PEL study. Managed lanes, congestion pricing, corridor tolling, and MBUFs are in various stages of technical feasibility and vary in state and federal requirements for implementation. Note: Implementing managed lanes is authorized under current federal law. However, all tolling alternatives would require Pennsylvania P3 Board approval if done as a P3 project, or would otherwise require legislative authorization for tolling.

Managed lanes have been identified in the draft study as a potential near-term solution. Managed lanes are lanes added to a highway where traffic is regulated by charging a toll to use the new lanes, or by encouraging carpooling – high occupancy vehicles (HOVs) typically can use the new lanes free of charge. This option offers a choice to drivers – to pay a fee to use the managed lanes, carpool and use the new lanes for free, or use the regular free lanes.

Potential Funding Option:




Managed Lanes

- When** Could potentially be advanced in 2 – 4 years
- Why** Drivers using managed lanes typically receive consistent, reliable travel times.
- How/Where** Corridors with extensive peak-period congestion.

Congestion pricing, a potential medium-term solution, is a form of tolling where all users driving in a specific zone or corridor are charged variable fees based on how many cars are on the roadway — higher fees during more congested time periods. Tolls would be on existing lanes, without adding new ones. Drivers are encouraged to carpool, alter the time of their travel, use transit, or use other routes when traffic gets too heavy.

Potential Funding Option:



Congestion Pricing

- When** Could potentially be advanced in 4 – 6 years
- Why** Congestion pricing can lead to less congested urban centers, meaning better air quality and more reliable travel times.
- How/Where** This would require acceptance into the Value Pricing Pilot Program (VPPP) for implementation. To be considered in urban areas with congestion.

A longer-term solution being studied is **corridor tolling**. This involves tolling interstates and expressways based on the distance traveled along that road. All lanes in the corridor are tolled to pay for the reconstruction or rehabilitation of the roadway. The existing Pennsylvania Turnpike is an example of corridor tolling. Corridor tolling would be considered on interstates and expressways only and could be implemented by leveraging existing tolling technology and infrastructure.

Potential Funding
Option:



Corridor Tolling

When Would require 6+ years to advance

Why Only those that use the interstate or expressway pay for it.

How/Where Expressways could be tolled under current regulations; interstates would require being accepted into the Interstate System Reconstruction and Rehabilitation Pilot Program (ISRRPP). An extensive statewide system plan would be required which has not yet begun.

MBUFs, which are sometimes called Road User Charges (RUC) or Vehicle Miles Traveled (VMT), are another long-term solution. They are a little different from tolls in that they are usually tied to odometer readings or other distance-based technologies to determine the number of miles you drive. Drivers are charged a small fee for each mile they drive during a set timeframe. PennDOT has been a part of MBUF pilots conducted by the Eastern Transportation Coalition. There are a number of other states and regions throughout the nation considering implementing MBUFs. These include: Delaware, Washington State, Oregon, California, and Colorado.

Potential Funding
Option:



Mileage-Based
User Fees
(MBUFs)

When Would take 6+ years to advance

Why Widely studied, MBUFs are viable and equitable ways to replace the gas tax.

How/Where Mileage-based user fees would require establishing a new statewide program and enabling legislation which is not currently in place.

After securing P3 board approval, if applicable, there are guidelines of how funding option implementation would occur. This is similar to the process occurring for the Major Bridge P3 Initiative, where the announcement of candidate bridges built on overall public feedback and kicked off extensive outreach and environmental processes for each potential bridge project.

- The first step would be to identify the specific project that will utilize the funding option and its feasibility as a candidate for the funding option. For example, a specific expressway where a managed lane could alleviate congestion through new lanes. Or, a corridor that needs reconstruction or rehabilitation.
- The project would undergo its own environmental review process under NEPA. Through this review process, potential impacts to surrounding natural, community, and cultural resources would be analyzed.
- There would also be multiple opportunities for public input throughout the environmental review process.

While there are several potential funding strategies, a number of them involve tolling. In the case of a tolling related project's environmental review process, one of the primary concerns that will be assessed will be the potential effect on minority and low-income populations. These potential effects could include:

- **Diversion Impacts:** Various effects can occur in local communities from vehicles avoiding the toll by using alternate routes. The extra traffic on diversion routes may result in congestion on these routes if they don't have sufficient capacity to handle the added traffic.
- **Financial Impacts:** The financial impact of paying a toll or managing a toll payment account can create burdens, particularly for low-income populations.

Should disproportionate and adverse effects on minority or low-income populations be determined through a project's environmental review process, potential mitigation measures will also be studied.

The current draft of the PEL Study was prepared with input from the public and stakeholder organizations throughout Pennsylvania. As previously noted, we received over 4,000 comments through our hotline, e-mail, and web comment form since November. We are collecting additional public comments through June 1, 2021. After reviewing and incorporating comments, a final PEL study will be published. Following the publishing of a final study, potential projects for near- and medium-term funding solutions will be evaluated while longer-term solutions will be studied further.

- **April 29 to June 1:** Share your comments on the draft PEL Study
- **Summer 2021:** PennDOT reviews and incorporates comments into a final PEL Study
- **Fall/Winter 2021:** PennDOT evaluates potential projects for near- and medium-term funding solutions while further evaluating longer-term options

We encourage you and your constituents to take part in this public feedback period by visiting www.penndot.gov/funding. We will make all reasonable modifications to policies, programs, and documents to ensure that people with disabilities and those with limited English proficiency have an equal opportunity to enjoy all of its programs, services, and activities. Instructions for requesting assistance [were included in the comment period announcement](#) and are posted on the meeting website.

PennDOT looks forward to and appreciates the continued partnership of lawmakers, stakeholders, and the TROC members as we look to address our near-and long-term funding challenges. The current \$9.35 billion annual funding shortfall requires a three-pronged approach to address this transportation funding gap. Federal transportation investment, state funding reform by the TROC, and alternative funding strategies will all need to be pursued, in the future, so that a significant, sustainable funding model can be implemented for future generations of Pennsylvanians.