

The Elements of a Lasting Solution

In its study of October 2006, the Pennsylvania Economy League said four principles would be necessary to ensure a lasting solution to the state's transportation infrastructure funding crisis. Here's how the various proposals measure up:

Economy League Principles	Turnpike lease/sale	Debt/toll proposal	TCI proposal
Regionalism should play a greater role in transportation policy decision-making and funding.	No	Yes	YES
<i>Prudent</i> use of debt should be among the ways to finance long-term infrastructure projects.	No	No	YES
Public-private partnerships of all kinds should be explored and considered as part of the solution.	Yes	No	YES
Dedicated, predictable, inflation-sensitive funding sources are required for a long-term solution.	No	No	YES

To learn more about the TCI transportation funding solution, please visit www.tci-pac.org.

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Pennsylvania's Mobility Vision for the 21st Century

The Transportation Construction Industries' Highway and Mass Transit Funding Plan

Dedicated, predictable, inflation-sensitive funding sources

“Any solution to the transportation funding crisis should include a dedicated, predictable funding stream (or streams) able at least to grow with inflation.” -- *Pennsylvania Economy League benchmarking study, October 2006*

The TCI proposal would provide \$1.11 billion for bridges and highways and \$865 million for public transit. The revenue would come from:

- Raising the Oil Company Franchise Tax cap
- Tolling I-80
- Increasing registration, title and license fees
- Increasing General Fund contributions to the mass transit Capital Bond Program
- Increasing the amount of sales tax allocated to mass transit
- Permitting regions to determine the best option for funding mass transit.

These funding sources would include escalators that, for the first time, would enable the funding to grow annually with inflation.

The TCI proposal also includes **\$160 million to local governments** for roads and bridges for which they - not PennDOT - are responsible. The amount would then nearly double from 2009-12. Neither of the other proposals would address this need.

At best, the other current funding proposals would repair only the existing highway system, and would require 17 years to accomplish that. (Actually, the other proposals would fall well short of that, because the funding sources would not grow with inflation.)

Meeting Pennsylvania's future mobility needs

The TCI proposal would enable Pennsylvania to significantly repair the existing highway system in less than 17 years. Then, by **pursuing public-private partnerships** - in a way that has been very successful in other states - Pennsylvania could begin to increase the capacity of the highway system, providing some relief to the traffic congestion that chokes our economic vitality and diminishes our quality of life.

In these days of increasing fuel efficiency and alternative energy, the wear and tear on highways is becoming much more closely related to miles driven than to gasoline consumed. The TCI plan includes **replacing the current gasoline tax with a fee for miles driven**, thus providing a more stable and fairly administered funding source.

The cost to a typical Pennsylvania motorist

Raising the cap on the Oil Company Franchise Tax could add just over 7 cents a gallon to the price of gasoline at the pump. For a motorist who drives 15,000 miles per year, in a vehicle that gets 25 miles per gallon, *the increase would be less than \$4 per month.*



Increasing tolls on the Pennsylvania Turnpike by 25 percent in 2010 - already part of the Turnpike Commission's funding plan - means that a motorist driving the entire length of the Main Line between Ohio and New Jersey would pay about \$25, or \$5 more than today. Travelers on I-80 would pay a similar amount to cross the entire state. *A major proportion of the revenue raised would be from out-of-state motorists and truckers who use our roads and contribute to their wear and tear on their way to somewhere else.*

The TCI plan does not include specific recommendations regarding fees for drivers' licenses (the current cost is \$6.50 per year) and vehicle registrations (currently \$36 per year). However such fees would fit into the equation, *the cost for a lasting solution to the highway portion of the funding crisis would likely be around \$8 per month for a typical motorist.*