

MAIN CAPITOL BUILDING  
HARRISBURG, PENNSYLVANIA 17120

August 12, 2008

Honorable Mary Peters, Secretary  
Department of Transportation  
1200 New Jersey Ave., SE  
8th Floor West, I-10  
Washington, DC 20590

Dear Secretary Peters:

We write as members of the Pennsylvania Senate to strongly oppose the conversion of Interstate 80 into a toll road. We are deeply concerned about the significant economic consequences such a conversion will have on our state's businesses and residents as well as the considerable amount of debt the Pennsylvania Turnpike Commission will incur if this proposal is approved.

Economic development along Interstate 80 has occurred under the assumption that it would remain a toll-free road. Alternatively, businesses along the mainline Turnpike or along tolled roads in other states certainly factored these additional costs into their business models when locating in those areas. To illustrate the devastating effect tolling will have on economic development along the Interstate 80 corridor consider First Quality Enterprises, a manufacturing company located in Clinton County. It is the largest employer in Clinton County and estimates that the tolling of Interstate 80 will increase its costs by nearly \$2 million annually just to ship outgoing freight. Additionally, a study conducted in Mercer County in western Pennsylvania estimates that tolling will increase costs for its businesses by \$8 million annually. Also consider the adverse effect tolling will have on all sectors of the economy including agriculture. For instance, dairy farmers are bound by prices set by the federal government so passing increased production costs onto consumers is not an option. As one Lycoming County dairy farmer opined in a recent news article, "It (tolling) will kill the agriculture business in the state of PA." It is truly unfortunate that these adverse consequences were not thoroughly considered prior to the swift enactment of Act 44.

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The method by which House Bill 1590/Act 44 was passed and is now being implemented undermines the process envisioned by the Interstate System Reconstruction and Rehabilitation Pilot Program (IRRPP). That program specifically requires that a proposed tolling plan take into account “the interests of local, regional, and interstate travelers.” In the application resubmitted to the Federal Highway Administration on July 17, 2008, the Turnpike Commission cites “extensive discussions throughout the Commonwealth, *including legislative hearings*” which took place during the process of enacting Act 44. It should be noted that prior to the passage of Act 44, no legislative hearings were held specifically on the subject of converting Interstate 80 to a toll road. However since its enactment, the Turnpike Commission has waged a publicly funded advertising campaign that has failed to generate public support for its proposal as evidenced by a recent independent poll conducted by Quinnipiac University which found that 63% of Pennsylvanians oppose the tolling plan. Additionally, a petition opposing the proposal was circulated during the Turnpike Commission’s meetings with citizens and received approximately 30,000 signatures.

In its resubmitted application, the Turnpike Commission and the Pennsylvania Department of Transportation (PennDOT) justified the need for tolling on Interstate 80 by asserting that it is necessary to fund approximately \$30.5 billion in capital improvement projects on that roadway over the next 50 years. They also assert that these improvements will be funded “with a combination of current I-80 toll revenues and the proceeds of several series of I-80 toll revenue bonds.” This “combination” translates into \$21.6 billion which will be financed through new debt obligations. By relying on debt to finance the bulk of capital improvement projects on Interstate 80, it seems clear that this project does not meet the standard established by the IRRPP which requires a showing that tolling “is the most efficient and economical way to advance the project.”

Further, a 2005 study commissioned by PennDOT concluded that tolling on Interstate 80 should not be pursued. A major factor taken into consideration in reaching that conclusion was the improved quality of the roadway in recent years. Starting in the 1980’s, PennDOT initiated a \$1.1 billion program to methodically reconstruct the entire 311 miles of Interstate 80. These reconstruction efforts were completed shortly after the study was released in 2005. As PennDOT then concluded, the improvements allowed the Department to place the interstate on “a far more manageable preservation cycle.” Currently, PennDOT appropriates approximately \$80 million annually for the maintenance and repair of Interstate 80 of which 75% is dedicated to capital improvement projects. It is unclear what factors if any have changed so significantly since 2005 to require a 300% increase in funding for the reconstruction or rehabilitation of Interstate 80.

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We respectfully request that the Department take these concerns into consideration when analyzing the application resubmitted by the Turnpike Commission and PennDOT. We also request that the Department consider several factors when evaluating the financial model presented by the Turnpike Commission including: statements by the Turnpike Commission that over 70% of motorists travelling on Interstate 80 will not pay tolls due to the newly announced policy that double-axle vehicles will only be tolled at the second gantry; assumptions that traffic will increase by 2.5% annually on Interstate 80 while the Federal Highway Administration reports that 10 billion fewer miles were driven nationwide over the past year; and the accumulation of approximately \$40 billion in debt the Turnpike Commission will issue over the next 50 years if this proposal is approved.

In summary, this proposal will have a devastating effect on the quality of life for those who rely upon Interstate 80. Further, if the Turnpike Commission issues the debt projected in its financial model, it is unclear how it will be able to operate when debt service payments exceed \$2 billion annually at the end of the lease. A long-term transportation funding plan based on the accumulation of such exorbitant debt is fiscally irresponsible and unsustainable. We ask that you carefully consider these issues when reviewing the application before you. If you have any questions or require additional information, please do not hesitate to contact us.

Very truly yours,



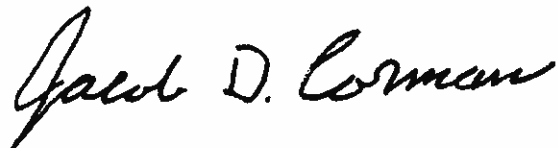
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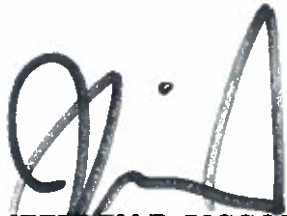
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