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HOUSE DEMOCRATIC POLICY COMMITTEE

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**House of Representatives**  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

**HOUSE DEMOCRATIC POLICY COMMITTEE HEARING**

**Topic: Pennsylvania Turnpike**

**Greenwood Hose Company #1 Fire Hall – Moosic, PA**

**September 7, 2016**

**AGENDA**

- 2:00 p.m. Welcome and Opening Remarks
- 2:10 p.m. Panel from Pennsylvania Turnpike Commission:
- Mark Compton  
Chief Executive Officer
  - Craig Shuey  
Chief Operating Officer
- 3:00 p.m. Keith Williams  
District 4-0 Traffic Engineer  
Pennsylvania Department of Transportation
- 3:30 p.m. Craig Pawlik  
Secretary-Treasurer  
Teamsters Local Union No. 229
- 4:00 p.m. Closing Remarks



# House Democratic Policy Committee

September 7, 2016

**Mark Compton, CEO**  
**Craig Shuey, COO**

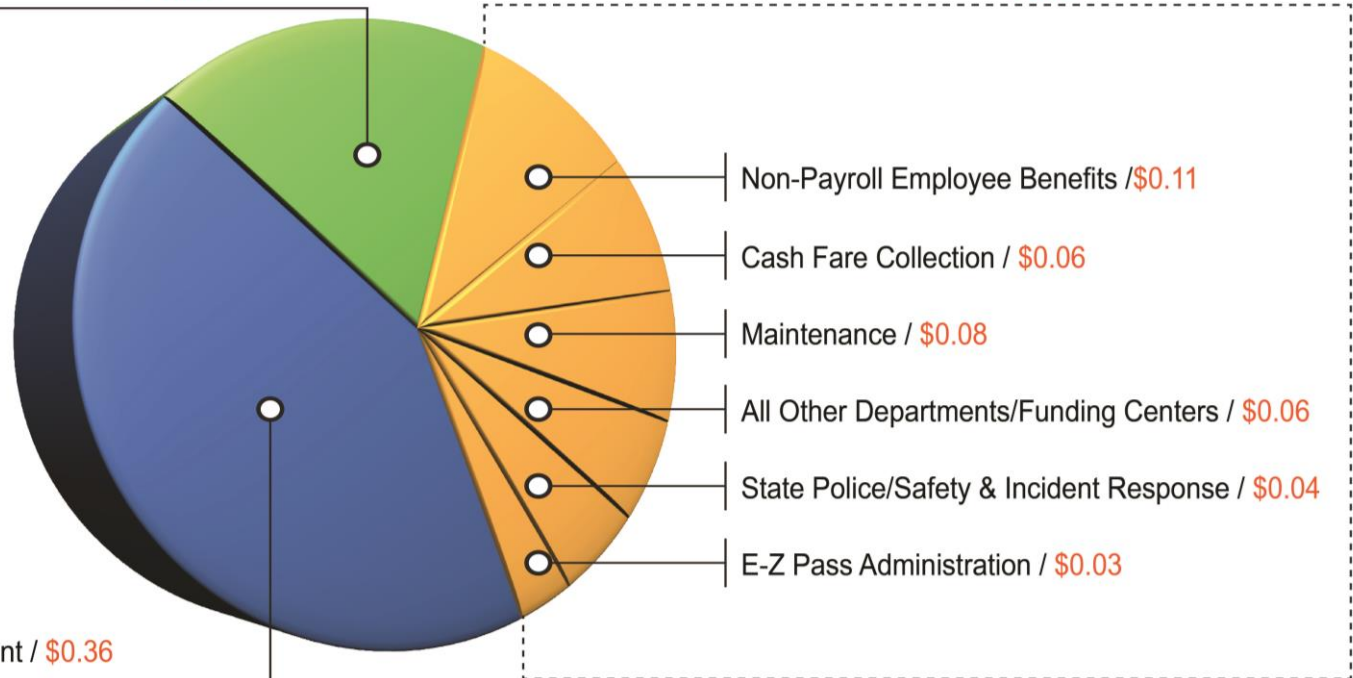
# Where Does Your Toll Dollar Go?

Total = \$1.00

Act 44 Supplemental Funding / \$0.26

Operating Expenses / \$0.38

|                     | 2012   | Δ    |
|---------------------|--------|------|
| ACT 44              | \$0.18 | ↑ 8¢ |
| OPERATING EXPENSES  | \$0.40 | ↓ 2¢ |
| CAPITAL IMPROVEMENT | \$0.42 | ↓ 6¢ |



\*The amount listed for capital improvement and related financing includes the paygo portion of our capital plan, debt service on our Mainline Senior debt and other costs financing our Capital program.

# Toll Rate Increases



## Toll-Rate Timeline

### EASTBOUND MAINLINE TOLL

for Class 1 (Passenger Vehicle) – Gateway (#2) to Delaware River Bridge (#359)

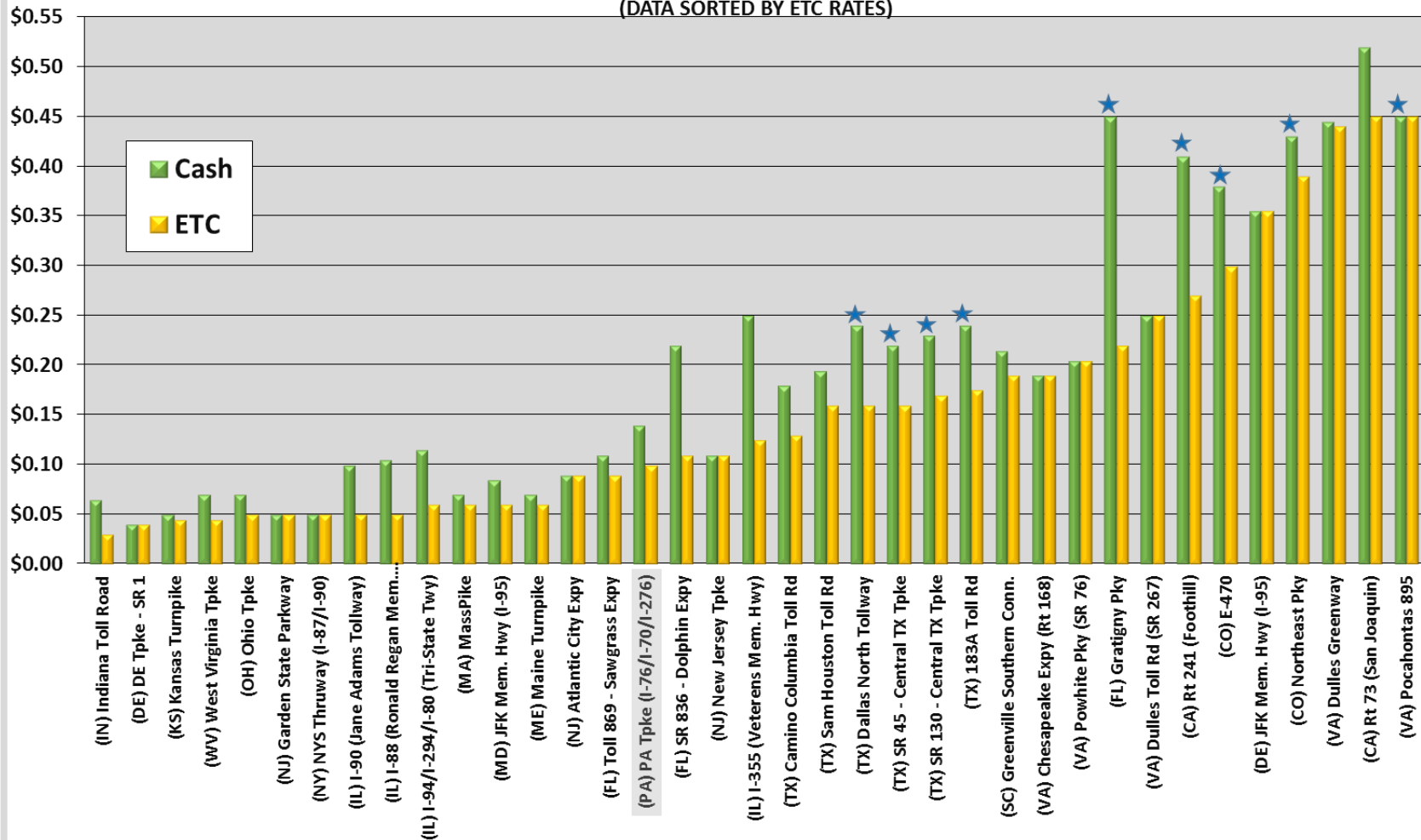
| Date of Toll Rate        | Statewide Rate Increase | Total Cross-State Toll | Total # Miles (East-West Mainline) | Average Cents Per Mile |
|--------------------------|-------------------------|------------------------|------------------------------------|------------------------|
| 1956*                    | –                       | \$3.90                 | 359                                | 1.1¢                   |
| 1969                     | 82%                     | \$7.10                 | 359                                | 2.0¢                   |
| 1978                     | 23%                     | \$8.73                 | 359                                | 2.4¢                   |
| 1987                     | 30%                     | \$11.35                | 359                                | 3.2¢                   |
| 1991                     | 30%                     | \$14.75                | 359                                | 4.1¢                   |
| 2004                     | 42.5%                   | \$21.03                | 359                                | 5.9¢                   |
| 2009+                    | 25%                     | \$26.28                | 359                                | 7.3¢                   |
| 2010+                    | 3%                      | \$27.07                | 359                                | 7.5¢                   |
| 2011+<br>E-ZPass<br>Cash | 3%<br>10%               | \$30.17<br>\$32.30     | 359<br>359                         | 8.4¢<br>9.0¢           |
| 2012+<br>E-ZPass<br>Cash | 0%<br>10%               | \$30.17<br>\$35.53     | 359<br>359                         | 8.4¢<br>9.9¢           |
| 2013+<br>E-ZPass<br>Cash | 2%<br>10%               | \$30.77<br>\$39.08     | 359<br>359                         | 8.6¢<br>10.9¢          |
| 2014+<br>E-ZPass<br>Cash | 2%<br>12%               | \$31.39<br>\$43.77     | 359<br>359                         | 8.7¢<br>12.2¢          |
| 2015+<br>E-ZPass<br>Cash | 5%<br>5%                | \$32.96<br>\$45.96     | 359<br>359                         | 9.2¢<br>12.8¢          |
| 2016+<br>E-ZPass<br>Cash | 6%<br>6%                | \$34.94<br>\$48.72     | 359<br>359                         | 9.7¢<br>13.6¢          |
| 2017+<br>E-ZPass<br>Cash | 6%<br>6%                | \$37.03<br>\$51.64     | 359<br>359                         | 10.3¢<br>14.4¢         |

3

ACT 44

# Toll Rate Comparison

COMPARISON OF 2016 PASSENGER CAR PER-MILE THROUGH TRIP TOLL RATES  
(DATA SORTED BY ETC RATES)





# Off-Turnpike Funding

## ACT 44 PTC CONTRIBUTIONS

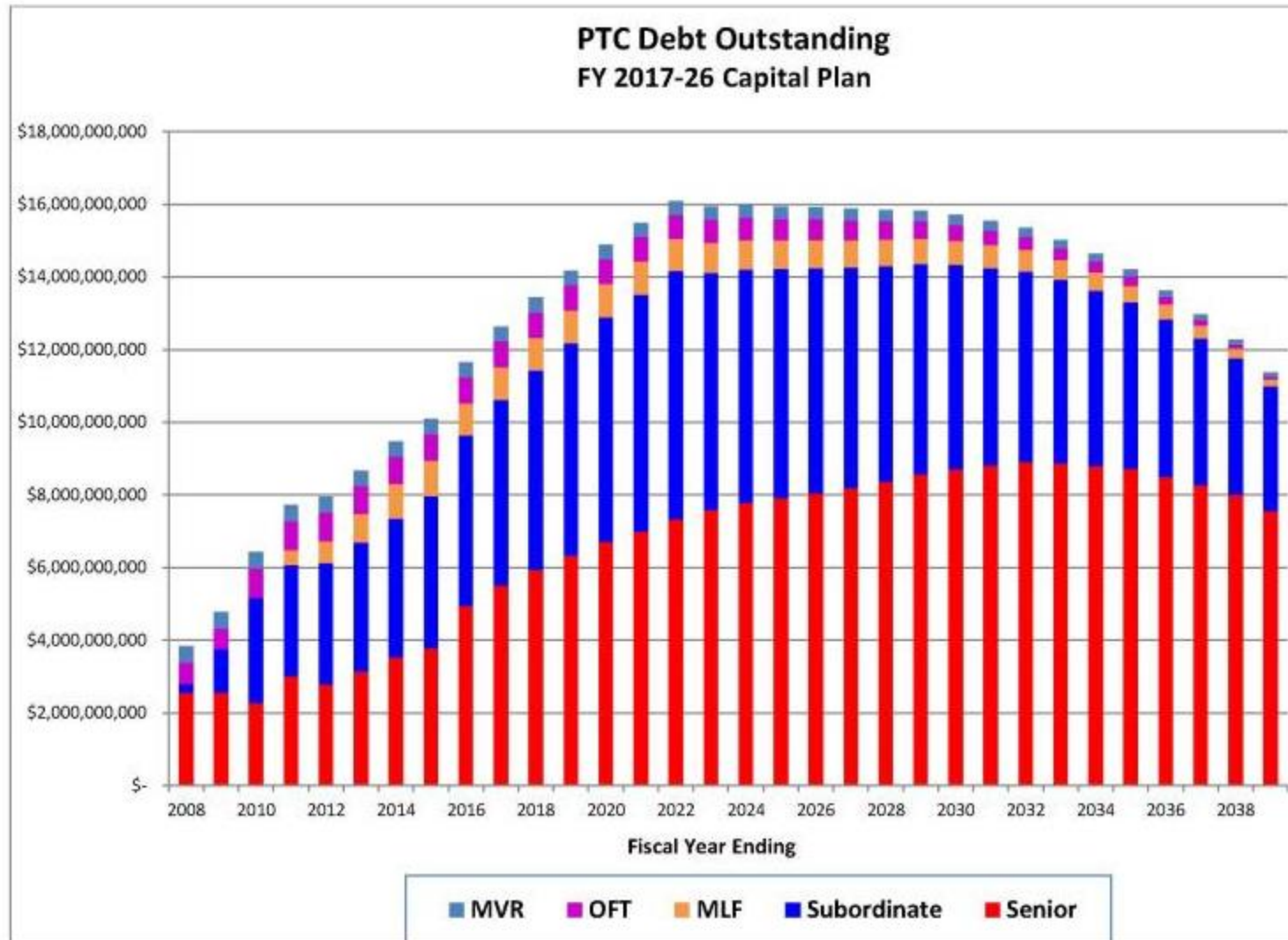
\$ in billions

|                            | 2007-2016 | 2017-2022 | 2023-2057 | TOTAL    |
|----------------------------|-----------|-----------|-----------|----------|
| <b>HIGHWAY and BRIDGES</b> | \$ 2.250  | \$ -      | \$ -      | \$ 2.250 |
| <b>PUBLIC TRANSIT</b>      | \$ 2.950  | \$ 2.700  | \$ 1.750  | \$ 7.400 |
|                            | \$ 5.200  | \$ 2.700  | \$ 1.750  | \$ 9.650 |

**CURRENT PROGRAM though FY22** = \$450 million in annual funding contributions

- ◆ \$420 million for public transit (capital and operating)
- ◆ \$30 million for multi-modal transportation

# PTC Debt Outstanding



# Toll Agency Debt

| ISSUER                                   | LIEN         | DEBT<br>OUTSTANDING     | DEBT<br>CURRENT AS OF | RATING  |     |       |
|--|--------------|-------------------------|-----------------------|---------|-----|-------|
|  |              |                         |                       | MOODY'S | S&P | FITCH |
| * Triborough Bridge and Tunnel Authority | Senior       | \$7,114,600,000         | 4/1/2016              | Aa3     | AA- | AA-   |
|  | Subordinate  | \$6,657,760,000         | 4/1/2016              | A1      | A+  | A+    |
|  | <b>TOTAL</b> | <b>\$8,772,360,000</b>  |                       |         |     |       |
| * New Jersey Turnpike                    | Senior       | \$11,251,163,000        | 12/31/2015            | A3      | A+  | A     |
| * Bay Area Toll Authority                | Senior       | \$5,658,010,000         | 6/30/2015             | Aa3     | AA- | AA    |
|  | Subordinate  | \$3,585,000,000         | 6/30/2015             | A1      | AA- |       |
|  | <b>TOTAL</b> | <b>\$9,243,010,000</b>  |                       |         |     |       |
| * North Texas Tollway Authority          | 1st Tier     | \$5,972,257,760         | 8/27/2015             | A1      | A   | N/A   |
|  | 2nd Tier     | \$1,004,610,000         | 8/27/2015             | A2      | A-  | N/A   |
|  | <b>TOTAL</b> | <b>\$6,976,867,760</b>  |                       |         |     |       |
| * Pennsylvania Turnpike Commission       | Senior       | \$4,454,645,000         | 4/27/2016             | A1      | A+  | A+    |
|  | Subordinate  | \$4,559,687,662         | 4/27/2016             | A3      | A-  | A-    |
|  | MLF          | \$989,390,381           | 4/27/2016             | A1      | N/A | AA    |
|  | <b>TOTAL</b> | <b>\$10,003,723,043</b> |                       |         |     |       |
| Illinois State Toll Highway Authority    | Senior       | \$5,701,125,000         | 2/1/2016              | Aa3     | AA- | AA-   |
| New York State Thruway Authority         | Senior       | \$3,224,340,000         | 1/4/2016              | A2      | A   | N/A   |
|  | Junior       | \$2,450,000,000         | 1/4/2016              | A3      | A-  | N/A   |
|  | <b>TOTAL</b> | <b>\$5,675,340,000</b>  |                       |         |     |       |
| Florida Turnpike                         | Senior       | \$2,902,355,000         | 4/21/2016             | Aa2     | AA  | AA    |
| Maryland Transportation Authority        | Senior       | \$2,299,584,258         | 7/1/2015              | Aa3     | AA- | AA-   |
| * Massachusetts Turnpike                 | Senior       | \$1,054,938,000         | 7/1/2015              | A3      | A+  | A+    |
|  | Subordinate  | \$853,555,000           | 7/1/2015              | Aa2     | AA+ | AA    |
|  | <b>TOTAL</b> | <b>\$1,908,493,000</b>  |                       |         |     |       |
| Oklahoma Turnpike Authority              | Senior       | \$934,395,000           | 12/31/2015            | Aa3     | AA- | AA-   |
| Ohio Turnpike                            | Senior       | \$585,000,000           | 9/1/2015              | Aa3     | AA- | AA    |
|  | Subordinate  | \$1,000,000,000         | 9/1/2015              | A1      | A+  | A+    |
|  | <b>TOTAL</b> | <b>\$1,585,000,000</b>  |                       |         |     |       |

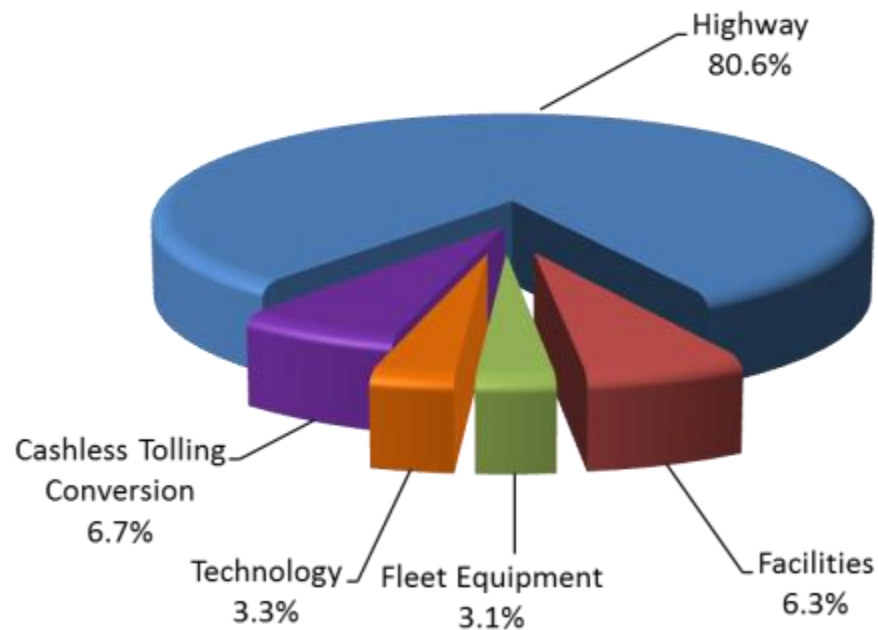
\* Toll Revenues used for off system purposes



# 10-Year Capital Plan

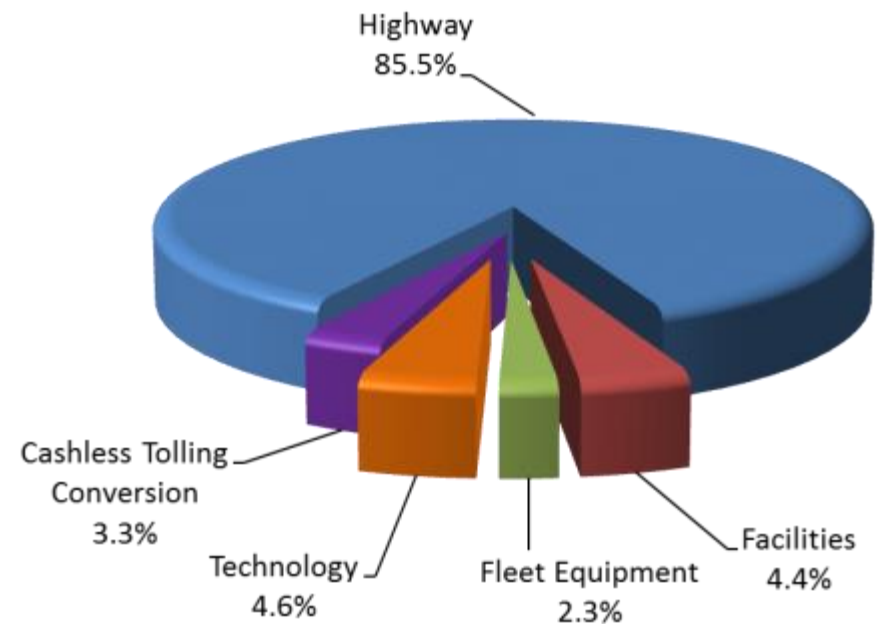
**TEN YEAR TOTAL = \$5.77 Billion**

By Program



**FIRST YEAR SPENDING = \$675 Million**

By Program

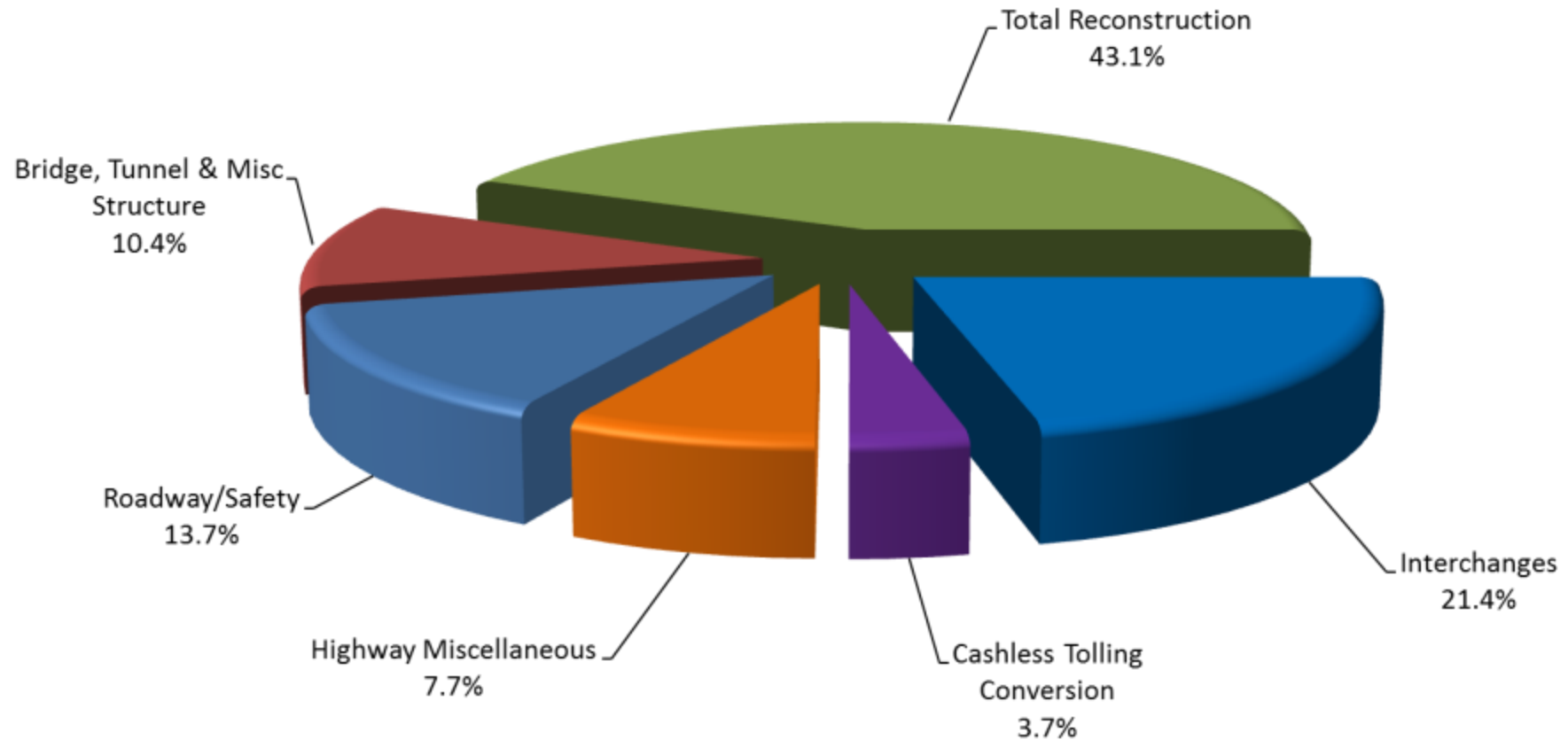


**\*FY17**

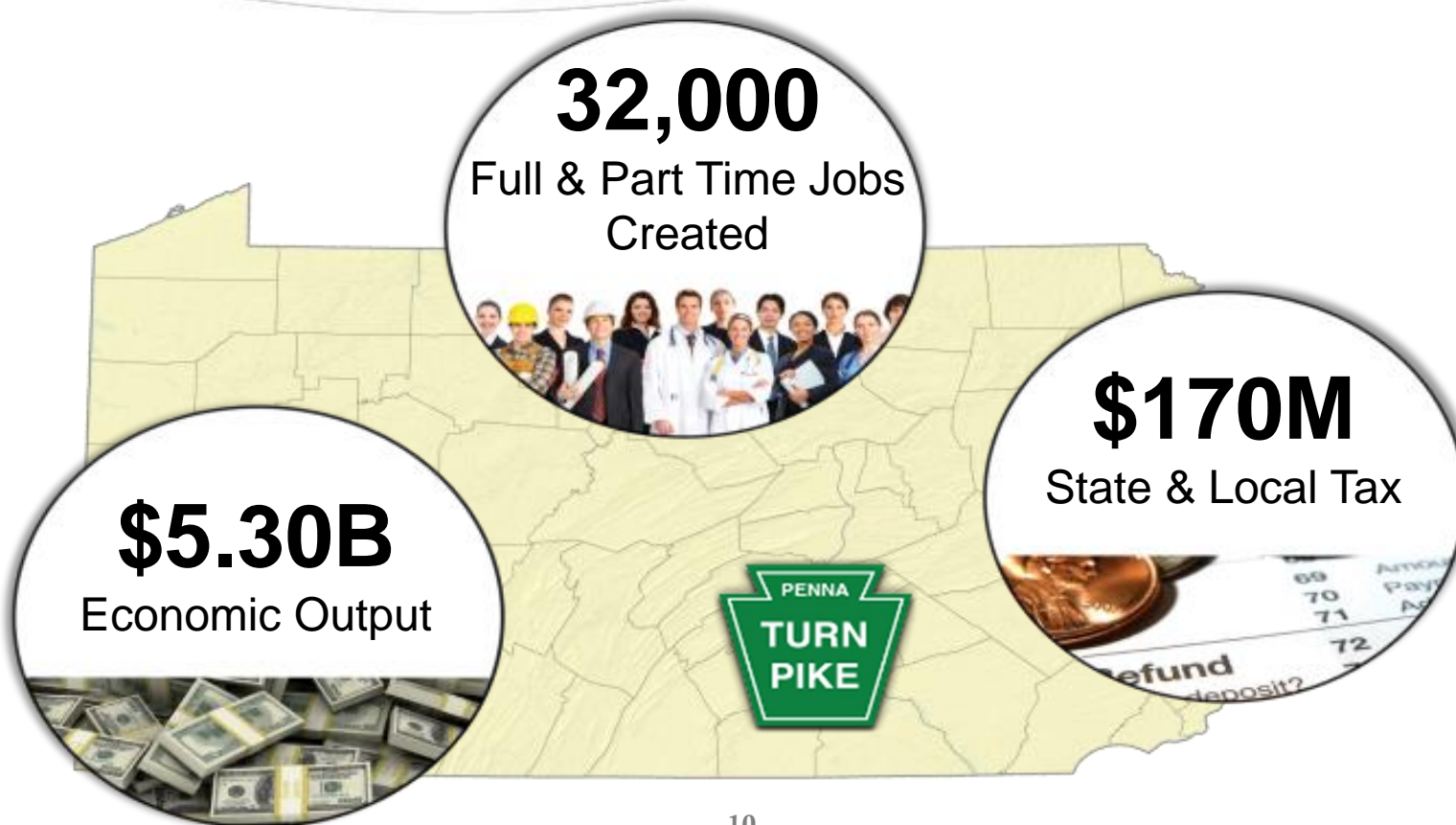
# Highway Capital Plan

**FY 2017 Highway Program First Year Spending = \$599M**

BY CATEGORY



# Capital Plan Impact: FY2016 to FY2020



# Total Reconstruction Initiative

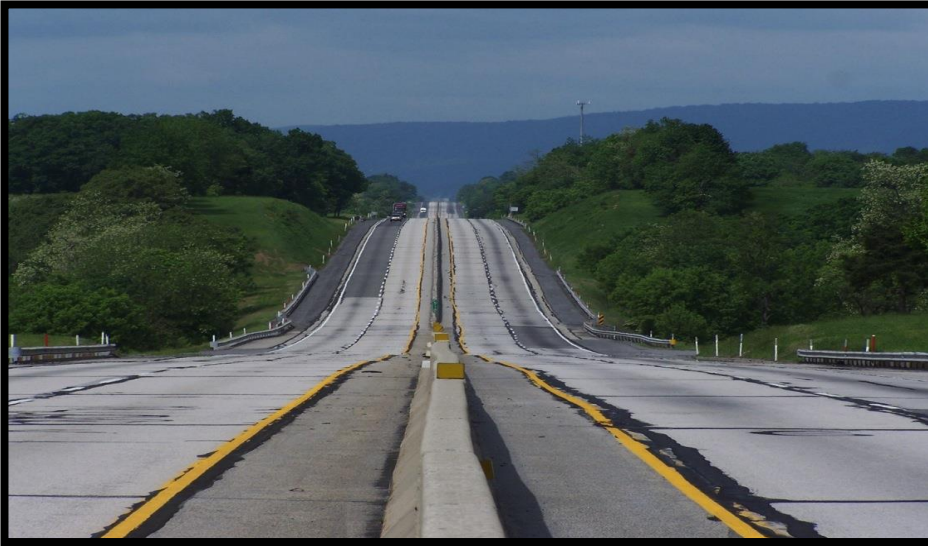




# Total Reconstruction

## BEFORE

Total Reconstruction & Widening



Original PA Turnpike section (four lanes)  
in Cumberland County near milepost 210.

## AFTER

Total Reconstruction & Widening



Rebuilt PA Turnpike section (six lanes)  
in Cumberland County near milepost 215.

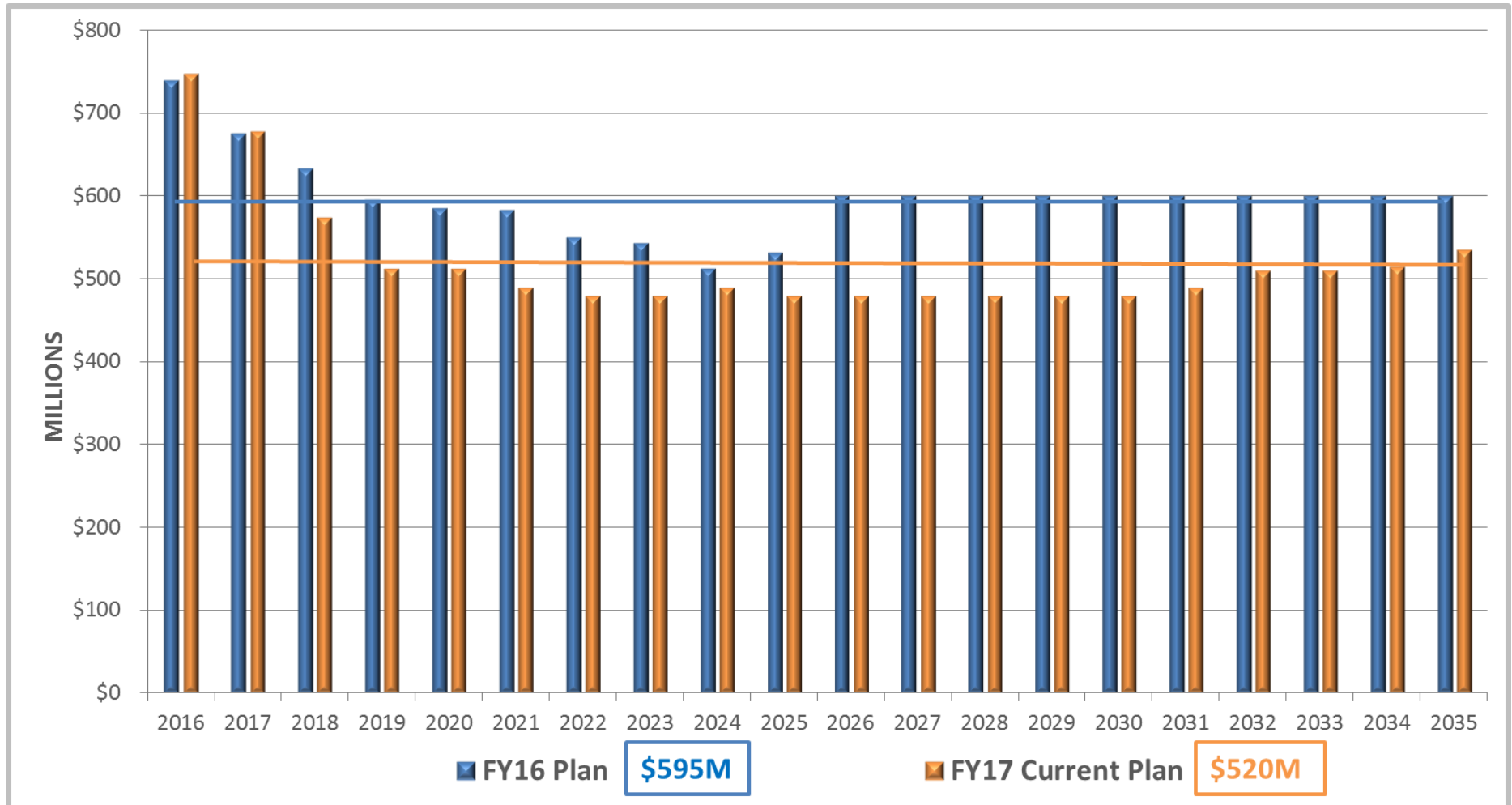
# Protection-Driven Project Deferrals

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PTC commissioners recently called for a thorough reassessment of all PTC capital projects.

- ◆ **Total Reconstruction Projects**
  - ◆ On average 7 miles/year construction
  - ◆ 10 less miles (2 projects) constructed in 10 years
- ◆ **Roadway Rehabilitation of Northeast Extension: MP A75 and A122**
  - ◆ Complete MP A101-A104 August 2016
  - ◆ No construction funding moving forward

# Protection Driven Scenario



# Operating Budget Growth

|                            | 2009  |      | 2016  |      | %<br>CHANGE |
|----------------------------|-------|------|-------|------|-------------|
| AVERAGE SALARY             | \$52K |      | \$60K |      | 15%         |
| AVERAGE COST OF HEALTHCARE | \$12M | 27%* | \$16M | 62%* | 33%         |
| AVERAGE COST OF PENSION    | \$2M  |      | \$21M |      | 950%        |
| PSP ANNUAL COST            | \$34M |      | \$46M |      | 34%         |

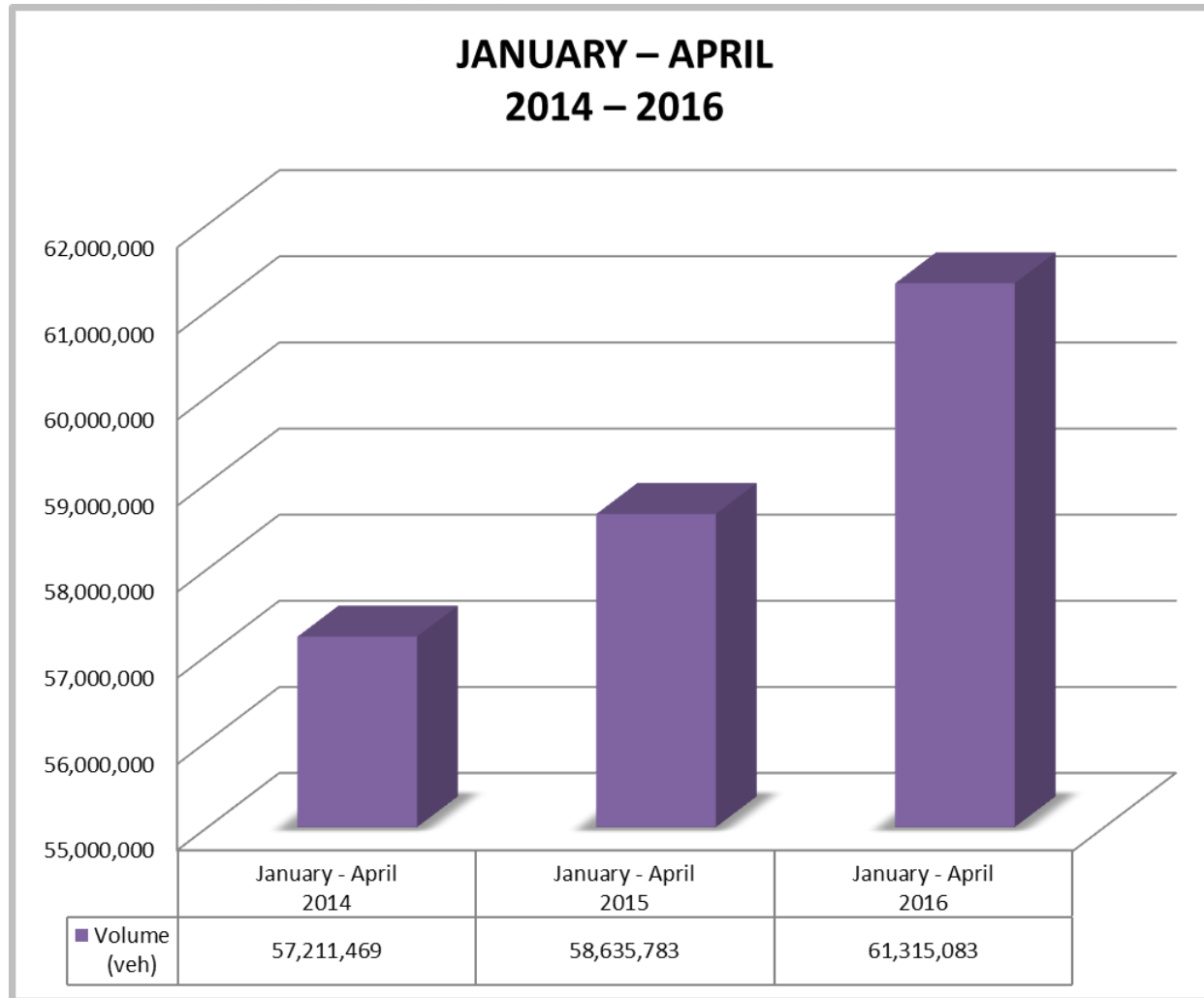
\*% of salary to healthcare and pensions



# By the Numbers

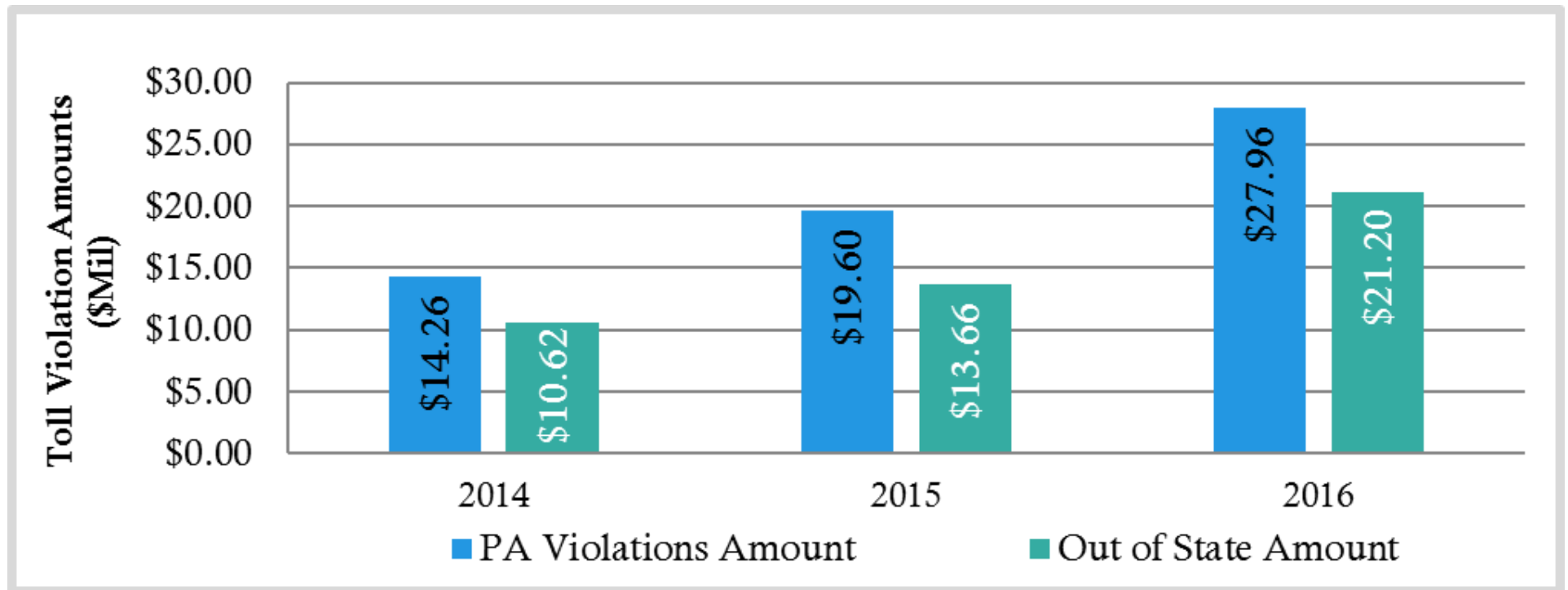
| MEASURE            | 2000            | 2015            | % CHANGE |
|--------------------|-----------------|-----------------|----------|
| COMPLIMENT         | 2,376           | 2,067           | - 13.0%  |
| LANE MILES         | 2,149           | 2,723           | 26.7%    |
| GROSS TOLL REVENUE | \$379.7 million | \$934.2 million | + 146.0% |
| OPERATING BUDGET   | \$164,446,567   | \$352,542,043   | + 114.4% |
| TRAFFIC            | \$160.1 million | \$192.3 million | + 20.1%  |

# Traffic Volume Growth

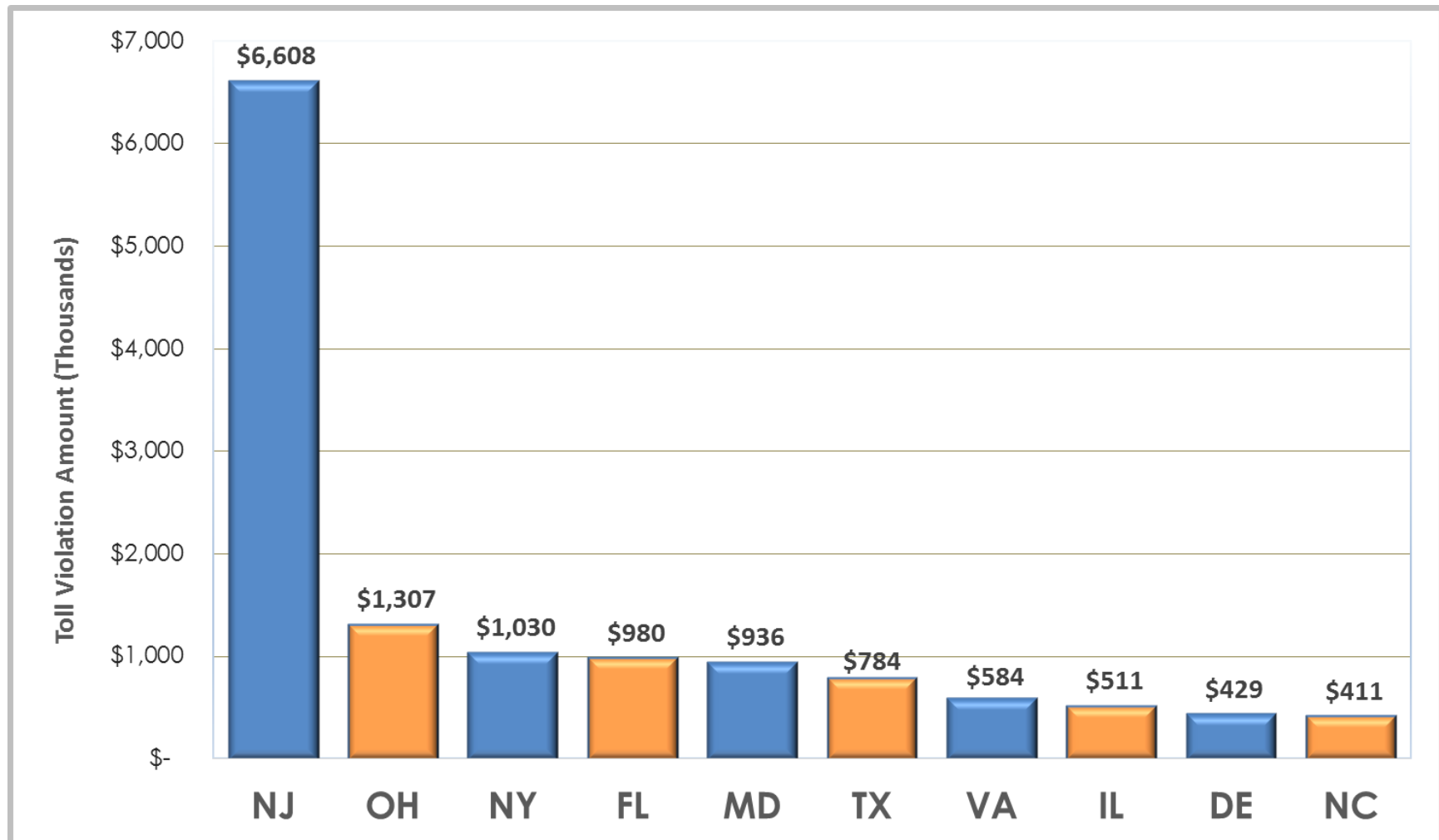


# Toll Violation Amounts

(as of 8/16/16)

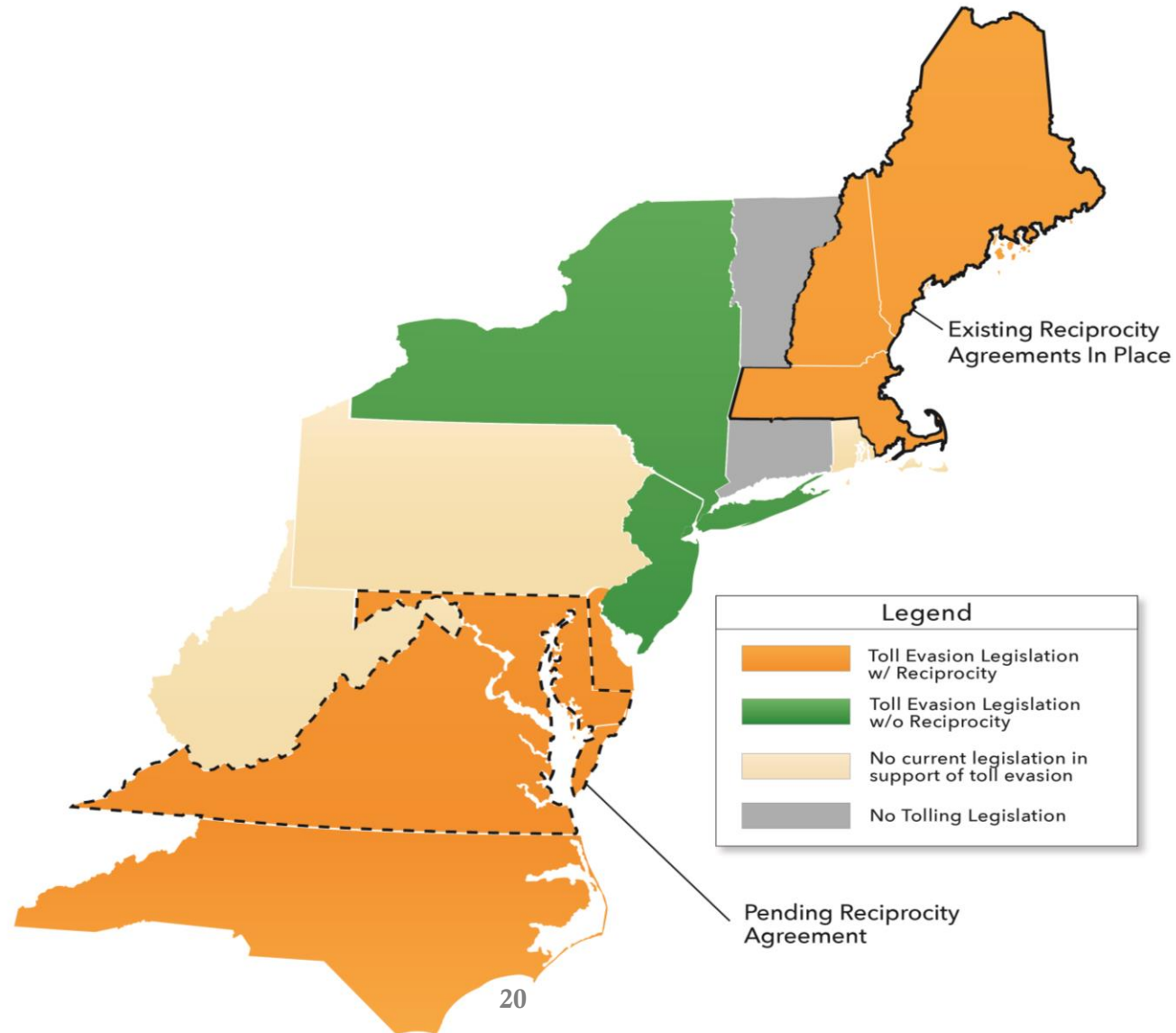


# Out of State Toll Violations





# Regional Toll Enforcement & Reciprocity





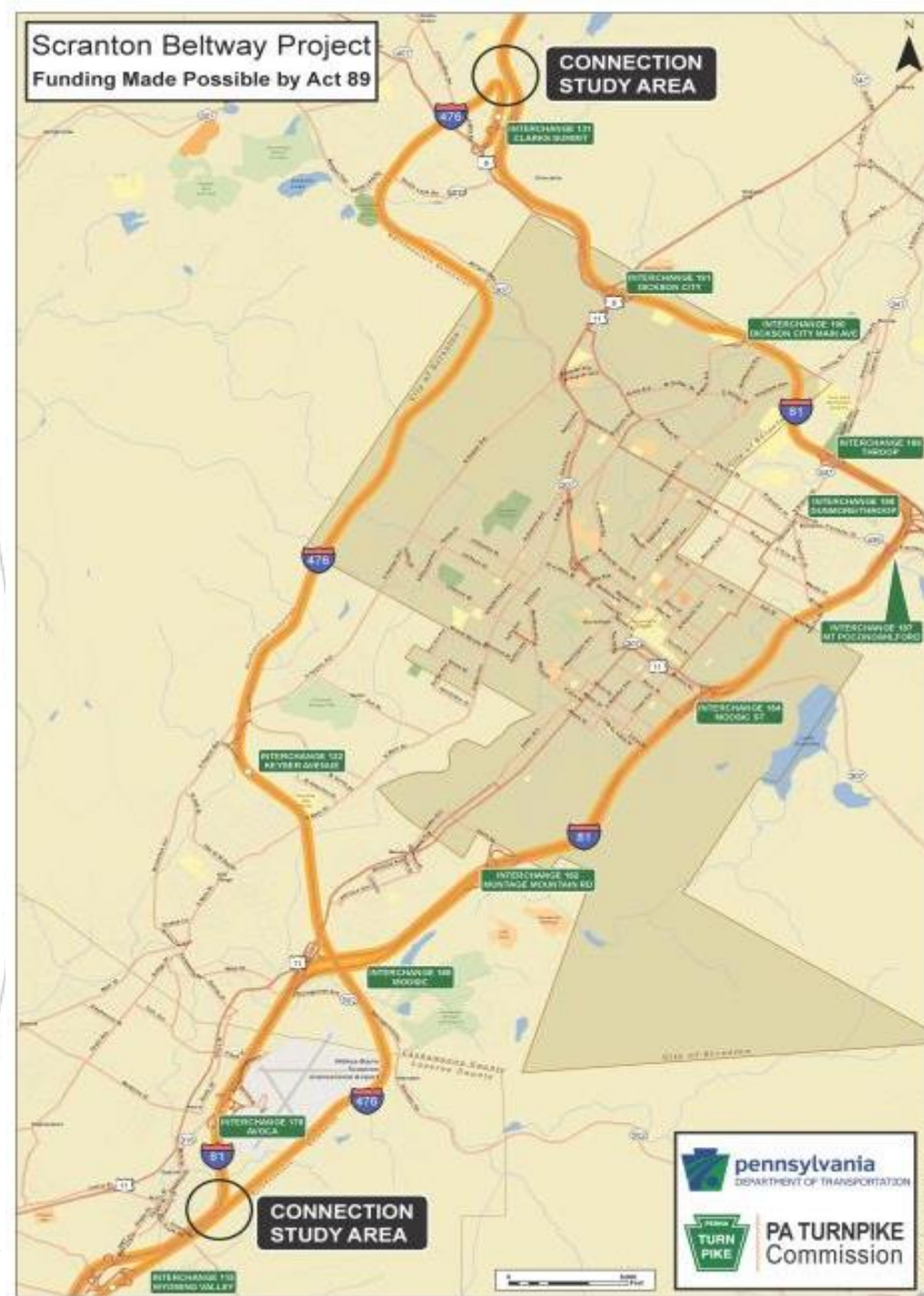
# Legislative Update

- ♦ **Violation Enforcement and reciprocity with other states**  
(SB 1086- Rafferty; HB 1782- Harper)
- ♦ **Work-Zone Speed Enforcement Cameras**  
(SB 840- Argall/Schwank)

# Scranton Beltway

Scranton Beltway Project  
Funding Made Possible by Act 89

CONNECTION  
STUDY AREA



CONNECTION  
STUDY AREA



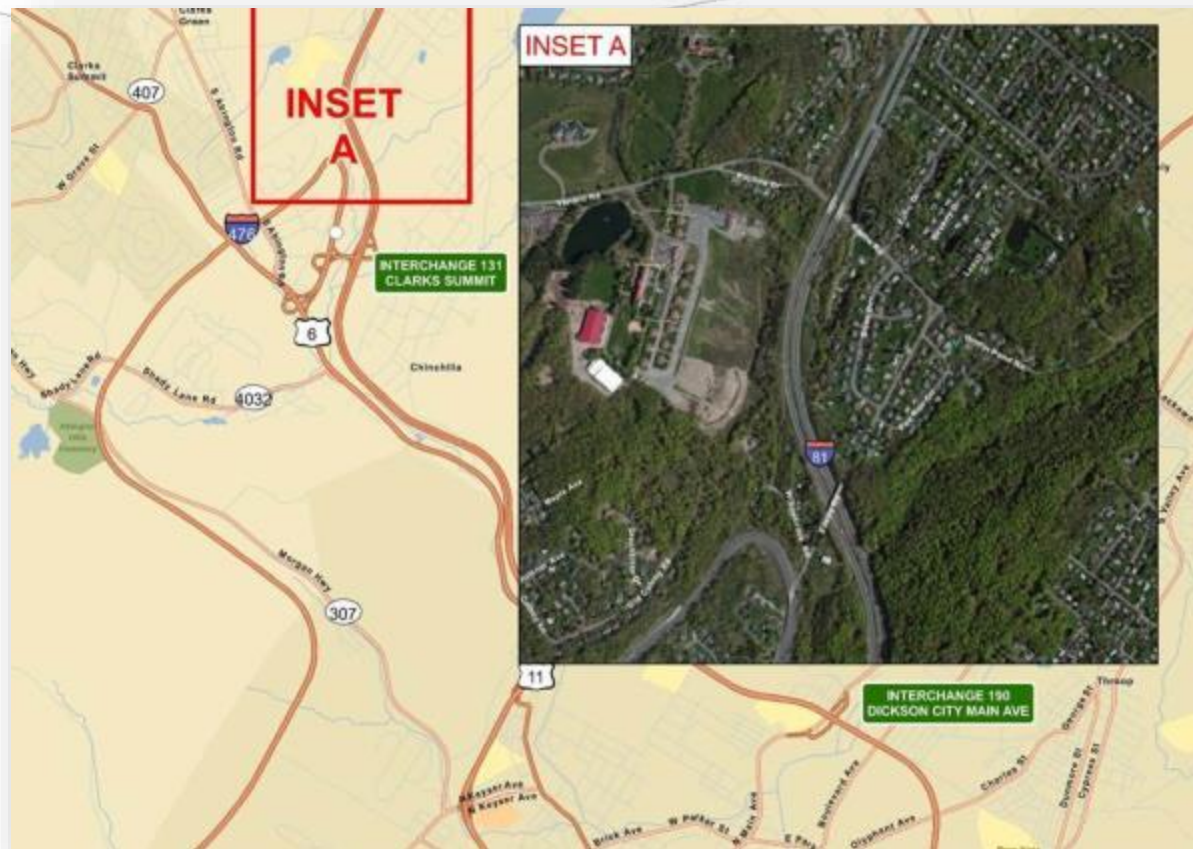


# Connection Site: Wyoming Valley





# Connection Site: Clarks Summit



# Scranton Beltway: Project Overview

## CURRENT STATUS

- ◆ **Feasibility Study Phase 1:**  
(July 2013 – June 2014)
- ◆ **Feasibility Study Phase 2:**  
(July 2014 to May 2015)
- ◆ **Environ. Studies & Prelim. Design:**  
Present to 2020
- ◆ **Final Design:** 2020 to 2022
- ◆ **Construction:** 2023 (3-years +/-)
- ◆ **Estimated Cost \$160M**
  - ◆ \$40M PennDOT commitment for construction (Federal Funds)

## SUMMARY

- ◆ **Next step pending Capital Plan Reassessment**
  - ◆ Start environmental studies and preliminary engineering design

# Thank You.

**Mark Compton, CEO**  
mcompton@paturndpike.com



**Craig Shuey, COO**  
cshuey@paturndpike.com

**Testimony of Keith Williams for 9/7/16 House Democratic Policy Committee Hearing**

Mr. Chairman, members of the Policy Committee, thank you for this opportunity to testify before you today regarding use of the Northeast Extension of the Pennsylvania Turnpike as a bypass of Interstate 81 between Scranton and Wilkes-Barre in the northeast region of Pennsylvania.

PENNDOT Engineering District 4 is comprised of 6 counties, Lackawanna, Luzerne, Pike, Wayne, Susquehanna and Wyoming. We are responsible for 3,933 miles of state highway and 2,097 bridges. We have 384 Interstate Segment miles in our Engineering District, more than any other Engineering District in Pennsylvania.

Interstate 81 is our major north south Interstate highway that stretches 95 miles through three counties in Northeast Pennsylvania. Average daily traffic ranges from a low of 22,000 to a maximum of 71,000 vehicles each day with the section between Wilkes Barre and Scranton having the highest traffic volumes. It is this section of interstate 81, specifically between Dupont and Clarks Summit that I am pleased to be able to testify about today. Average daily traffic in this section ranges from 54,000 to 71,000 vehicles per day, well above the original design estimate of 36,000 vehicles per day when the road was constructed over 50 years ago.

The Turnpike Commission has performed extensive studies on this section of Interstate 81 and on their adjacent section of the Northeast Extension over the past two years. They have identified that high speed Interchange improvements between both the Wyoming Valley and Interstate 81 Interchange also between the Clarks Summit and Interstate 81 Interchange will significantly improve regional traffic flows. At the completion of the construction of these two, high speed interchanges, Interstate 81 will see a reduction in traffic and the Turnpike's Northeast Extension will see an increase in traffic throughout the design year of 2045.

The statewide traffic model, which can account for the effect of tolls on travel route selection, was utilized to determine the potential traffic diversion as a result of these proposed direct connections. To further refine the statewide traffic analysis, the model was supplemented and validated using additional field data including traffic volumes, origin/destination patterns and travel time data.

Based on the 2045 traffic model, the direct connections between Interstate 81 and the Turnpike at Wyoming Valley and Clarks Summit results in a decrease on Interstate 81 of approximately 4,800 vehicles per day and an increase on the Turnpike of approximately 6,400 vehicles per day. Please note that the volume differences on I-81 and the Turnpike are not a one-to-one relationship as it was assumed that there may be latent demand to I-81 and volumes from the other roadways such as Pittston Avenue, Cedar Avenue, S. Main Street and Keyser Avenue shift to Interstate 81 to use the freed up capacity.

Because traffic forecasts incorporated several assumptions including heavy truck traffic growth and toll rates, a sensitivity analysis was completed to gauge the sensitivity of the traffic forecasts to these assumptions. Both low/high heavy truck growth rate and a low/high toll rate increase

assumption were modeled. Based on the sensitivity analysis and for study purposes, it assumed that the direct connections could create a volume migration between the Interstate 81 corridor to the Turnpike in the range of 5,500 to 12,200 vehicles per day in 2045.

Other benefits from these high speed connections include incident management, alternative route diversions during construction, congestion relief during events and more direct access to future development and land use.

During the period of September 2, 2012 to September 2, 2015, 23 incidents led to closures on Interstate 81 impacting traffic for an average 3.3 hours during each incident. Better connections between Interstate 81 and the Turnpike will allow the Turnpike to be better utilized as an incident detour/congestion relief route. Cost savings to motorists using the Turnpike as an incident detour/congestion relief route could be substantial.

Currently on Interstate 81, resurfacing, bridge reconstruction, and interchange reconfiguration projects are being performed creating delays on the roadway. Three improvement projects are planned over the next 12 years on the mainline and ramps of Interstate 81 within the Scranton Beltway region. Based on current experience, the reduced roadway performance during construction activities will cause additional delays and backlogs. In addition, three projects are also planned over the next 12 years on nearby roadways, including US 11 and PA 315, which could divert traffic to Interstate 81. These nearby projects could further increase volume and congestion on the interstate. The direct connections would allow the Turnpike to be better utilized as alternative route during construction both on Interstate 81 and on adjacent roadways.

The Scranton area has several venues and events that attract additional traffic volume to the area. These venues and events include Montage Mountain & Pavilion (outdoor concerts, festivals, winter and summer activities, etc.), PNC Field (baseball games), La Festa Italiana, St. Patrick's Day, and New Year's Eve. Both Montage Mountain & Pavilion and PNC Field use Interstate 81, Exit 182. When events overlap at the facilities congestion around Exit 182 is considerable, causing significant delay. Increasing the utilization of the Turnpike by providing direct connections between I-81 and the Turnpike would divert through traffic from I-81 and provide some relief to I-81 during these events.

These direct connections will provide congestion relief on Interstate 81 as a portion of the through traffic on the roadway would be diverted to the Turnpike. Reducing travel times and delays will attract future economic development as commercial and industrial companies would be able to efficiently and safely move their products through the area. Providing the direct connections will increase utilization of the Turnpike which could spur residential, commercial and industrial development near the Keyser Avenue Interchange between Old Forge and Taylor Borough, and in the western suburbs of Scranton as the travel time to reach this area improves.

As you can see, there are many benefits to utilizing the Northeast Extension of the Turnpike as a Scranton Bypass for through traffic. I again want to thank the Chairman and members of the Policy Committee for this opportunity to discuss this important project with you.