



Senate of Pennsylvania

DATE: January 9, 2008
TO: All Senators
FROM: Senators John Gordner **VRG**
SUBJECT: Proposed Legislation to Repeal Act 44 of 2007 and to Authorize Public-Private Partnership Agreements Involving the Existing Pennsylvania Turnpike

In the near future I intend to introduce legislation that will repeal Act 44 of 2007 and provide for public-private partnership (P3) agreements involving the operation and maintenance of the existing Pennsylvania Turnpike.

It is apparent that the General Assembly must address an annual transportation funding deficiency of over one billion dollars. However, due to overwhelming opposition to the tolling of Interstate 80 and the likely possibility that the federal government will either reject or simply take no action on the application submitted by the Pennsylvania Turnpike Commission to allow for the tolling of Interstate 80, another funding source must be identified.

This legislation will provide a workable alternative. It will divide the existing Turnpike into three different sections – from the Ohio border east to Harrisburg, from Harrisburg east to the New Jersey border, and the Northeast Extension – to allow American-based and majority American-owned companies to enter into public-private partnership agreements with the state. By dividing the Turnpike into three distinct sections, it will allow for greater competition among a larger pool of companies to bid on P3 agreements. In return, the state will receive an upfront payment that will be placed in a restricted account to address transportation funding needs throughout the Commonwealth, including the funding of mass transit. The legislation will place reasonable caps on future toll increases and will require companies to make specific capital investments for roadway improvement projects. Authority to negotiate and enter into P3 agreements will be given to the State Transportation Commission.

Initial estimates based on responses to Governor Ed Rendell's request for expressions of interest show that P3 agreements involving the Turnpike could easily surpass the revenue that would be generated under Act 44 if tolling on Interstate 80 was ever implemented.

Please call Senator Gordner's office at 787-8928 if you are interested in cosponsoring this legislation.