



COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE GOVERNOR

August 4, 2020

Dear Members of the Pennsylvania Congressional Delegation:

In a letter dated March 19, 2020, I outlined many of Pennsylvania's needs related to COVID-19 response, and Congress passed the Coronavirus Aid, Relief and Economic Security (CARES) Act. Pennsylvania is grateful for this action and the federal support to date. One area the CARES Act did not directly address is the highway and bridge transportation infrastructure needs.

COVID-19 is causing major reductions in state revenue sources in Pennsylvania, with losses and delays being seen in almost all revenue sources. The total estimated dollars lost are based on the COVID-19 impacts lasting into late summer. While these impacts are estimated, and the duration and magnitude of traffic behavioral changes moving forward are uncertain, even a return to full truck volumes and up to 85 percent passenger vehicle resumption will yield the impacts depicted below.

The commonwealth estimates a \$800-900 million loss from major transportation revenue sources such as the Gas and Diesel Tax, and certain licensing and registration fees due to COVID-19. The program impact to our transportation infrastructure as a result of this declining revenue includes:

- Highway and Bridge Construction
  - Large reductions in construction will be needed to align with current revenue expectations
  - Stimulus funds could fill gaps to reduce the impact of highway and bridge construction reductions
  - Stimulus funds could also create opportunity to advance an expanded program
- Highway Maintenance
  - Lower standard of care as focus shifts to solely basic maintenance needs
  - Reduction in contract services, such as mowing contracts
  - Significant reduction in the number of resurfacing projects
  - Reduction of resurfacing will result in more lower level treatments such as patching vs. surface treatments, crack sealing and seal coats vs. paving
- Municipal and Local Funding – liquid fuels revenue will be down, so distributions are estimated to be \$50 million less

As a follow up to AASHTO's April 6, 2020, letter, AASHTO sent another letter to Congressional Leadership on July 20, 2020, with updated data that has become available over the last three months. This updated data now estimates state transportation revenue losses of \$37 billion over five years (through FY 2024), with an estimated loss of \$16 billion in FY 2020. It urges Congress to act on a Phase IV Stimulus bill that includes funding for transportation infrastructure.

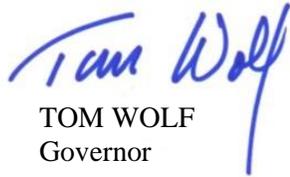
It is evident that the need for federal funding for the Pennsylvania Department of Transportation (PennDOT) and other state DOTs, remains urgent. Stimulus funds will prevent further disruptions to planned transportation projects and allow PennDOT and other state DOT employees and transportation

construction workers essential to planning and delivering these projects to remain on the job. The funding will also preserve the core capabilities of PennDOT and other state DOTs that are critical to implement a robust, bipartisan surface transportation reauthorization bill, which can serve as a platform for national economic recovery and growth.

Again, we appreciate your leadership during this unprecedented time. We urge you to provide PennDOT and other state DOTs with an immediate infusion of \$37 Billion of federal funding nationally to make critical transportation improvements and keep Americans working as our country looks to reopen stronger than ever.

Thank you for your consideration of the commonwealth's support of AASHTO's Phase IV stimulus funding backstop proposal. This will greatly help to improve the overall efficiency of our transportation system while bolstering and helping to regrow our economic vitality in Pennsylvania.

Sincerely,

A handwritten signature in blue ink that reads "Tom Wolf". The signature is written in a cursive style with a long, vertical flourish extending downwards from the end of the name.

TOM WOLF  
Governor