



TO: All Honorable Members of the Pennsylvania State Senate

FROM: Kevin Sunday, Director, Government Affairs

DATE: January 11, 2023

RE: Consideration of SB 35 and Transportation Funding Legislation

On behalf of the Pennsylvania Chamber of Business and Industry, I thank Chairman Langerholc and the committee for beginning the 2023-24 legislative session by building on past momentum towards a sustainable, comprehensive funding system for transportation and infrastructure. As we compare our position versus other states who are gaining population and have better rankings for economic competitiveness, the quality of our infrastructure is paramount to the success of our economy and the safety of our residents.

As such, the PA Chamber continues to support the integrity of the Motor License Fund by limiting its expenditures to its intended purpose, which is the construction and maintenance of roads, bridges and infrastructure projects, and to that end we urge support for the approach embedded in SB 121, which continues the reduction of the diversion from the MLF to funding the state police.

More broadly, the PA Chamber, along with many local chambers, advocates, non-profits and others, championed passage of Act 89 of 2013 and the recently enacted federal bipartisan infrastructure law. While we understand the intention of SB 35 to reduce impacts to consumers during an inflationary period, inflation is also substantially increasing labor and materials costs for transportation projects. At the same time, an increase in the fuel efficiency of internal combustion engines and the increase in alternative fueled vehicles, such as electric cars, is reducing the amount of gasoline consumed in the state by approximately 20% over the past two decades, according to PennDOT. Further, the federal infrastructure law also requires a partial state match for new funds.

As such, we have concerns with any legislative action that impacts infrastructure funding agreed to as part of extensive deliberation and compromise that was embedded in Act 89, such as freezes to the increase in the gasoline and diesel tax, without appropriate supplemental funding from other sources. We urge lawmakers to consider this issue comprehensively, including funding alternatives like a mileage-based user fee on electric vehicles, as this policy discussion advances.

For any questions or further discussion, please contact Kevin Sunday, Director of Government Affairs, at [ksunday@pachamber.org](mailto:ksunday@pachamber.org) or 717-645-2071.