

REGION

Construction groups: Transportation stimulus needs grander plans

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Midstate construction groups and some state politicians are questioning how the federal economic-stimulus package will affect the transportation-construction sector.

While state officials and companies welcome the extra money that could flow to Pennsylvania for transportation projects, some doubt the projects Pennsylvania has lined up will be enough to keep creating jobs over the long haul, especially if commercial and residential construction doesn't rebound this spring.

"What do you do when the one-time stimulus is over?" asked state Sen. Robert Wonderling, chairman of the Transportation Committee. "Do you lay off all those people?"

Wonderling, a Republican representing parts of Bucks, Lehigh, Montgomery and Northampton counties, held hearings on how best to direct stimulus money when it comes from Washington, D.C.

In a Jan. 27 hearing, state Department of Transportation (PennDOT) Sec. Allen Biehler said Pennsylvania could receive \$1.25 billion for road projects, but that target keeps shifting with debate in Congress over the size of the stimulus bill.

The money would fund road-resurfacing and bridge-repair projects, he said. The state has a backlog of such projects designed and ready to start. That means the state can find contractors faster than larger-capacity and road redesign projects, he said.

The stimulus package is expected to set time limits to start projects to maximize economic benefits, Biehler said.

"It sounds like a lot of money, but it's not when you consider the state spends more than \$3 billion annually just to maintain our transportation infrastructure," Wonderling said.

Perspective is a big issue not only in terms of the scope of projects planned, but also what type of economic effect they would have. No one wants to see a stimulus that puts people back to work for a few months only to be dropped into unemployment again, said Robert Latham, executive vice president of Harrisburg-based Associated Pennsylvania Constructors, which represents companies in infrastructure construction.

"Unless there's a long-term funding stream at the back end of this program, that's exactly what's going to happen," Latham said.

Capacity projects fit the bill, he

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Erdman Anthony
& Associates Inc.

said. Building and widening roads could provide a sustained stimulus to the economy once the federal money has run out.

PennDOT has plenty of capacity projects in the wings, spokesman Richard Kirkpatrick said. The problem is there's a shrinking pool of money to pay for them. That means maintenance projects — such as resurfacing and repair work — are priorities in the state budget.

Road projects are paid for through the Motor License Fund, a collection of vehicle-registration fees, fuel taxes and license fees. This fiscal year, fund revenues have dropped 4.5 percent, or \$72.6 million, since July, according to the state Budget Office.

The fund is expected to be short

\$150 million by September, Kirkpatrick said.

This is no surprise to Randy Good, special projects and government affairs manager for Harrisburg-based Penny Supply Inc., which supplies stone, asphalt and concrete to construction companies.

The state has been losing revenue from the fund because people are driving less and using more fuel-efficient cars, meaning the state is getting fewer fuel taxes, he said.

Penny Supply could gain from the stimulus and infrastructure spending. The company laid off about 470 people statewide over the past year due to the economy and slow construction, Good said.

"Currently, we have 25 percent more people laid off this year than last year," he said. "We hope through the stimulus package we'll get all our people back to work."

Bridge repair, maintenance and replacement could sustain economic development, Kirkpatrick said. The state spends about \$2 billion each year in contracts for highways and bridges. It's also in the second year of a bridge-specific program, he said. The state will spend \$200 million in bonds to fix bridges.

Engineers are enthusiastic about the bridge work and knew more

would be coming after high-profile bridge collapses and accidents two years ago.

New York-based engineering firm Erdman Anthony & Associates Inc. has seen more work in Pennsylvania, said Vincent Weiser, senior vice president and chief operating officer. The company specializes in bridge engineering and has an office in Silver Spring Township, Cumberland County.

"Right now, we're bringing people on, which sounds strange in this economy, but there's a lot of bridge work out there," Weiser said.

The company added three engineers last year and will add four more this spring, he said.

More money could become available under the federal stimulus if other states fail to use it in 90 days, said Lisa Wagman Glezer, public-relations manager for York County-based Wagman Cos. However, the stimulus itself is not a long-term solution to infrastructure, she said.

Funding issues must be resolved at the state level to keep transportation construction going, companies said. That means addressing fuel taxes, user fees and other revenue sources.

"Unfortunately," Latham said, "officials in Harrisburg have kicked this can down the road for years." ■