

CAWP
Summary of Legislation
August 2008

The Pennsylvania General Assembly is in summer recess until the week of September 15, 2008.

Transportation Committee Examines Public Private Partnerships

On August 18th, the House Transportation committee held a hearing on two bills, House Bill 555 and Senate Bill 1158, which would allow the Commonwealth and regional transportation authorities to enter into agreements with the private sector to design, construct, manage or maintain new or expanded transportation infrastructures and facilities through public-private partnerships.

Representative Joe Markosek, Chairman of the committee, is not expected to move either bill in the little time remaining this legislative session. However, the proponents of the Turnpike Lease are reportedly looking for another bill to amend. If that occurs, there may yet be a vote on Public Private Partnerships before the session ends on November 30th.

At the hearing, representatives from **SEPTA** and the **Port Authority of Allegheny County** both endorsed the idea of **eliminating the applicability of Separations Act** for their projects. Both entities have a history of opposing the separate primes requirements. On the other side, mechanical, electrical and plumbing contractors are opposed to the Separations Act exemption. The State Building Trades are opposed to the partnerships in general and have asked that both bills be opposed.

The following provides a more detailed report on the two bills and the public hearing.

The House Transportation committee held a public hearing on legislation allowing the Commonwealth and regional transportation authorities to enter into agreements with the private sector to design, construct, manage or maintain new or expanded transportation infrastructures and facilities through public-private partnerships, referred to as "P-3s".

HB 555, sponsored by Rep. Rick Geist, amends Title 74 (Transportation) establishing public-private transportation partnerships; conferring powers and duties on the Pennsylvania Public Utility Commission, the State Transportation Commission and the Department of Transportation; and establishing the Public-Private Transportation Partnership Fund.

SB 1158 by Sen. Roger Madigan, amends Title 74 (Transportation) providing for transportation infrastructure partnership and development. The bill provides for transportation development agreements, terms and conditions of transportation development agreements, and the review and selection of proposals. The bill outlines financing for qualifying transportation projects and the power of eminent domain. The bill requires PennDOT to adopt interim guidelines within six months and final regulations within two years for implementing the provisions of the legislation; and sets a 60-day window for the solicitation of competing bids for an unsolicited proposal by the State Transportation Commission or another proprietary public entity. Lastly, the bill states that

the Pennsylvania Turnpike may not be subject to a transfer of oversight responsibilities through a lease, sale or other agreement unless specific authority is granted through an act of law passed by a majority of members of the General Assembly.

House Transportation Committee Looks at Cost of Road Construction and Maintenance

On August 19th, the House Transportation held another hearing, this time the committee heard testimony from a panel regarding the increasing cost of road building materials and its impact on highway construction and reconstruction projects. The following is a report on that hearing.

Robert Latham, executive vice president of the Associated Pennsylvania Constructors, provided the committee members with a [chart](#) from the American Road & Transportation Builders Association outlining the cost of highway and street construction materials. He pointed out the cost was up 18.9% in June 2008 compared to the same month last year while during the same period, inflation, as measured by the consumer price index, was 5%. Latham said over the last five years, the price of highway and street construction materials has risen 70%.

Second Hearing on Contractor/Trade Licensing Held

In July, the House Labor Relations and the House Professional Licensure committees held a hearing in eastern Pennsylvania on the topic of licensing construction contractors and tradesmen. On August 4th, the committees held a public hearing on the same topic in Pittsburgh. Individuals representing operating engineers (re: crane operator licensing), electricians (electrical contractor licensing), plumbers (plumbing contractor licensing) and the Better Business Bureau all testified in favor of licensing by the State. Both the union and non-union testifiers endorsed the proposal on plumbing contractor licensing.

CAWP presented written testimony to the committees urging that future legislation recognize prequalification with the State as a substitute for licensing.

Legislative Activity

The House and Senate are in recess until fall.

2008 SENATE FALL SESSION SCHEDULE

The Senate has announced the following remaining session days for the 2007-08 session.

September 16, 17, 18, 22, 23, 24

October 6, 7

November 20 and 21 will be non-voting session days, at this point

2008 House FALL SESSION SCHEDULE

September 15, 16, 17, 22, 23, 24

October 6, 7, 8

November 12, 13, 17, 18, 19, 24, 25

Copies of all bills of interest can be accessed via the Internet at:
<http://www.legis.state.pa.us/WU01/LI/BI/billroom.htm>.