



July 23, 2008

Mr. Jim Ray  
Acting Federal Highway Administrator  
Federal Highway Administration  
Office of the Secretary of Transportation  
Southeast Federal Center Building  
1200 New Jersey Avenue, S.E.  
Washington, D.C. 20590-9898

Re: Application of Pennsylvania Turnpike Commission (PTC) and Pennsylvania Department of Transportation (PennDOT) for the Tolling of Interstate 80 (I-80)

Dear Administrator Ray:

I am writing regarding the application of the Pennsylvania Turnpike Commission and Pennsylvania Department of Transportation for federal permission to toll Interstate-80. The Commonwealth Foundation is a strong supporter of user fees and toll roads to pay for transportation infrastructure. However, we strongly oppose granting I-80 tolling authority to the Pennsylvania Turnpike Commission (PTC) for the reasons delineated below.

For decades, the PTC has earned a reputation as a haven for patronage, nepotism, inside dealing, waste, inefficiency, and corruption. Efforts to clean up the PTC have repeatedly failed. In the 1980s, former Governor Dick Thornburgh, who referred to the PTC as a “patronage haven,” wanted to go even further: “My fondest hope was to get rid of the Turnpike Commission. It serves no use.” Unfortunately, Governor Thornburgh was unsuccessful. And these practices continue at the PTC, to the detriment of taxpayers and tollpayers alike. Like their predecessors, the current PTC administrators, patrons, and commissioners supply the Pennsylvania press with a constant stream of misconduct and questionable behavior—some of which will be tried in court this fall:

**Corruption.** According to the federal indictment of state Sen. Vincent Fumo (D-Philadelphia), PTC Chairman Mitchell Rubin received \$150,000 in state Senate consulting fees for doing little or no legitimate Senate work. The consulting contract overlapped with Rubin’s tenure at the PTC. In 2003, Rubin was discovered to have had 214 parking tickets dismissed for a total of nearly \$10,000.

**Corruption.** The 139-count Fumo indictment also alleges that the PTC paid consultant Michael Palermo, the former Turnpike Associate Executive Director, \$220,000 over two years under a “sole source” contract for doing what federal investigators describe as “no discernable work.” Palermo did, however, manage Sen. Fumo’s farm north of Harrisburg.

**Inefficiency.** The Pennsylvania Turnpike has the nation’s second highest tolls and remains drastically overstaffed. For every mile of turnpike, the PTC has more than four employees and one senior-level manager. Elsewhere in Pennsylvania, Penn DoT has one employee for

every three miles. If you exclude toll booth operations, the Turnpike has nearly three employees per mile.

**Wasteful Spending.** In 2007, the PTC used toll revenues to fund almost \$400,000 of lobbying in Washington, D.C.; that's more than the state of Texas. They spent an additional \$300,000 lobbying Pennsylvania legislators. PTC Chairman Rubin billed the Commission for 12 meals totaling \$12,522, averaging over \$1,000 a meal. One \$1,869.79 meal in Nantucket included \$125 for Beluga caviar, \$76 for quail salads, and \$46 sirloins. Rubin billed it all to the Commission except the \$1,050 bottle of wine.

**Patronage.** According to a legislative audit report in the late 1990s, the PTC could save millions of dollars by instituting competitive bidding for bond counsel work. The PTC has refused and insisted on granting "sole source" contracts based on political relationships.

**Patronage.** Nepotism and patronage are common at the PTC. At any given time, the salary payroll reads like a who's who of the politically connected. In the summer, the PTC hires hundreds of politically connected temporary workers. According to a former toll collector, the summer workers give full-time employees time to relax: "They kick back in the office, smoke cigars, play cards."

The instances cited above are not isolated. They demonstrate the systemic and persistent problems still plague the PTC almost 70 years after its creation. Ultimately, the misconduct of the PTC's commissioners and staff is not without consequence. Their misconduct is not relegated to the hiring of a relative or the purchase of a meal that costs too much. To the contrary, the misconduct of the PTC's commissioners and staff says a lot about their inability to manage a billion-dollar enterprise.

Currently, there is a movement backed by Pennsylvania Governor Ed Rendell to lease the Turnpike to a private company in a public-private partnership. This move, if successful, would result in the demise of the PTC. At the same time, the PTC is seeking to expand its authority and power in our state's transportation funding plans for decades to come. This would be disastrous.

All other arguments for or against the tolling of I-80 aside, under no circumstances should the PTC be given any additional dominion over Pennsylvania's transportation infrastructure. That would be bad for Pennsylvania and bad for the Eisenhower Interstate System that has for so long served the United States so well.

Thank you for considering our concerns. I would welcome the opportunity to discuss at your convenience our objections to granting the Pennsylvania Turnpike Commission the authority to toll Interstate-80.

Sincerely,



Matthew J. Brouillette  
*President & CEO*