

**Joint Hearing of the PA Senate Environmental Resources and Energy Committee and the PA Senate
Labor and Industry Committee
Friday, October 14, 2022**

The Importance of Pennsylvania's Waterways to Energy and Economic Development

**Commissioner Leslie Osche, Chairman of the Board of Commissioners for the County of Butler and
Chair, Southwestern Pennsylvania Commission**

Chairman Yaw, Chairwoman Bartolotta, Senator Comitta, Senator Tartaglione and members of the Committees:

Thank you for the opportunity to testify today on the topic of our waterways and their importance to our Commonwealth's economic and energy development. My name is Leslie Osche, Chair of the Butler County Board of Commissioners and Chair of the Southwestern Pennsylvania Commission, or SPC. Butler is a fourth class county with a population of nearly 200,000 residents and over 10 waterways that are critical to our industrial and recreational development and overall quality of life. Butler County is a member government of the Southwestern Pennsylvania Commission, our region's metropolitan planning organization which is responsible for the transportation planning process of 10 counties and the City of Pittsburgh. SPC directs the use of state and federal transportation and economic development funds allocated to southwestern Pennsylvania.

When it comes to our regional and national transportation networks, our inland waterways are often overlooked and underappreciated, however, in southwestern Pennsylvania it is a crucial component of an integrated multimodal transportation system that moves commodities and goods into and through our communities and job centers. The collective system encompasses an extensive interstate and highway network, the largest in the state among all planning regions, with over 25,000 linear roadway miles and 6,600 bridges that support activity along 18 railroads, passenger and cargo demand at Pittsburgh International Airport, as well as 200 miles of commercially navigable waterways. We rely on these intertwined systems so our region's businesses can remain connected to national and global markets.

Our waterways provide an inherent value to the region in terms of their overall economic and transportation efficiency. Approximately 25 million tons of material is shipped along our waterways annually, removing nearly one million loaded trucks from roadways and bridges. The primary commodities moved by river barge in our region are bulk materials such as sand, gravel, and coal –high weight commodities suitable for river barge transport. Users of these products, all of which are vital to supporting the national and regional economy, benefit from the low shipping cost of less than one cent per ton-mile when transported by barge – compared to 2.53 cents per ton-mile by rail and 5.35 cents by truck. Coal from our mines is shipped westward to the Mississippi River, providing heating and metallic coal to industrial and power generation customers along a more than 1,000-mile corridor. Conversely, our waterways and terminals handle various materials for local production throughout the region. Examples include non-hazardous oils that are manufactured into cosmetics, adhesives, and other final

products; metal byproducts that are processed for steel manufacturing; agricultural products for our local farmers and food processing facilities; sand used in the mining and unconventional drilling processes to provide our energy independence; and, steel and aggregates used for the improvement of our extensive regional infrastructure network.

Waterway transportation also provides numerous benefits to the safety of our residents and the health of the environment. Barges have the smallest carbon footprint among other transportation modes and maritime transport generally involves less interaction than rail or truck and operates in a safer, closed environment that is generally more removed from population centers. When measured by rates of death and property destruction barges have been found to be the safest mode for cargo movement.

Healthy waterways greatly contribute to our region's quality of life and recreational development as well. In Butler County, Moraine State Park is a major recreational amenity that attracts hundreds of thousands of visitors per year; many visits can be attributed to the 3,225-acre Lake Arthur that is served by nine boat launch areas and marinas as well as a sandy swimming beach. State and local parks contribute significant tourism dollars to our regional and local economy and their popularity demonstrates the importance of waterways to residents, visitors, and businesses alike. The 2022 state budget made significant investments in our state parks and their infrastructure and I want to thank you, Senators, for this much-needed support. If we are to continue to provide the abundant, accessible, and safe outdoor recreation amenities that provide the quality of life and experiences our residents demand, these resources must continue to ensure the preservation of our state park assets.

As you will hear today, the benefits and importance of our inland waterways to businesses and families across the region are numerous. Yet, we often find ourselves reminding policymakers that regional economies such as ours are dependent on this infrastructure. The U.S. Army Corps of Engineers (Corps) allocates maintenance and operational funding based on short-term lock activity, and with the decline of coal shipments, our region is threatened by reductions in levels of service on the upper Allegheny and parts of the Monongahela Rivers. This is occurring just as the largest business development project in Pennsylvania history, the Shell Cracker Facility, comes online. Our region must find a way to bridge what should be a temporary economic downturn that faces industrial centers like ours, or risk the threat of losing our long-valued transportation assets.

One model that has worked can be found along the northern Allegheny River where, when faced with decreased commercial usage and subsequent reductions of service, private residents and local government partnered to contribute to the costs of lock operations during peak recreational boating periods. The model, believed to be the first of its kind in the nation, allows the Corps to receive private contributions for staff and operational costs. Armstrong County annually provides funding to the Allegheny River Development Corporation which is then passed onto the Corps to assist with their costs. The Commonwealth has aided in these efforts too through awards from the PennDOT Multimodal Transportation Fund. Thank you for your support of these important community-driven initiatives.

There are numerous other ways our counties and regional organizations support our inland waterways. SPC directs funding to plan and construct the numerous hiking and biking trail networks along our

waterways that extend into and beyond every county in the region. These trails attract thousands of tourists to our region. In 2022, we received a substantial win for our trail network when Armstrong Trails received upwards of \$2.5 million from SPC and PennDOT for the acquisition of a bridge and 14 miles of former railroad along the Kiski River and its junction with the Allegheny River. The project will connect over 130 miles of continuous trails in Armstrong, Allegheny, Butler, Clarion, and Westmoreland Counties and spark economic growth opportunities and tax revenue for communities along the river banks for years to come.

In Butler County, we've focused on an important cross-county corridor, State Route 228, to improve the movement of goods and freight from the Freeport Terminal on the Allegheny River to the Pittsburgh Intermodal Terminal on the Ohio River. The 228 Corridor generates more than \$28 billion in economic output by supplying products used throughout the county and world. And with our state and regional partners, Butler County has invested numerous resources and attention on improving the freight corridor of this roadway. With funding from the \$5 Fee for Local Use Fund, targeted investments from our partners at PennDOT District 10, and the award of \$45 million in federal discretionary grants, the investments will improve first- and last-mile freight connections and provide safe and reliable access to interstates, the Turnpike, ports, and subsequently our waterways.

Finally, SPC awards federal Congestion Mitigation and Air Quality Improvement (CMAQ) funds to the Port of Pittsburgh for its diesel emissions engine retrofit program for local towboats, further enhancing the environmental benefits of river operations. This program was recently expanded to include replacing engines and motors on landside equipment such as cranes, locomotives, conveyors, forklifts and other diesel-powered equipment to improve operational efficiency and air quality.

Thank you, distinguished committee members, for your time and for your interest in southwestern Pennsylvania's waterways and their importance to our regional and national economic development. Our region depends on our waterways for our prosperity, and we depend on our elected officials continued attention, advocacy, and problem solving to ensure our future success. Your attention and commitment to our waterways will help to make southwestern Pennsylvania an even better place to live, work, and play.