

**Pennsylvania House of Representatives  
Joint Hearing of the Transportation Committee and Policy Committee  
June 18, 2010**

**Testimony of Steve Bland  
CEO, Port Authority of Allegheny County**

Good afternoon,

My name is Steve Bland and I am the CEO of Port Authority of Allegheny County. I'm here today not only to discuss the statewide transportation crisis that we all face, but specifically, how the situation in Allegheny County is unique and will result in immediate regional impacts here in the Pittsburgh area. Nowhere else in the state does this crisis have the potential to be so immediate or so damaging.

As you might know, the Port Authority of Allegheny County is the public transportation system serving Allegheny County, and parts of the surrounding counties. This includes the City of Pittsburgh. We carry roughly 230,000 riders a day by bus, light rail, incline and paratransit services.

Port Authority serves both Pittsburgh's urban core, including Downtown and Oakland (the Commonwealth's second and third busiest commercial centers, respectively), along with the region's sprawling suburban areas, and many neighborhoods isolated by virtue of the region's unique topography. Over 40 percent of Downtown Pittsburgh workers use public transportation to get to and from work. This is much higher than most peer cities to Pittsburgh, and a significant reason our urban core has remained so vibrant.

Port Authority's system is extensive, spanning 730 square miles of Allegheny County, about 15,000 stops, 62 Park and Ride lots, nearly 20 miles of dedicated busways, 26 miles of light rail – including the Downtown subway, 23 busway station, 26 light rail stations, the Mon Incline and more than 80 bridges.

You may not know that, while most of our bridges are located on the busways and "T" light rail lines, 11 are highway bridges, meaning they carry regular traffic on a daily basis.

Port Authority's operations are not perfect, but the agency has come a long way in the last few years. We embraced Act 44 in 2007 and stood behind legislators as we believed the law was a bold step forward in Pennsylvania, seeking to provide a dedicated and reliable stream of funding for transportation programs.

We also embraced the reform and efficiency recommendations spelled out in Governor Rendell's Transportation Funding and Reform Commission (TFRC) report.

In 2006, Governor Rendell's Transportation Funding and Reform Commission asked transit agencies statewide to cut out waste and to find efficiencies. The Commission believed the state's transit systems, combined, could find \$60 million in annual savings.

Port Authority, alone, has found \$52 million in annual operating budget savings. This was achieved by eliminating more than 400 positions, cutting unproductive service, restructuring remaining service to be more efficient, achieving landmark concessions in our collective bargaining agreements, and sharply reducing benefits for our non-represented employees. In addition, the Authority has generated \$14 million in new revenue annually by increasing fares in 2008 and 2010; and achieving almost a doubling of our institutional contract income over the past 4 years. These efforts continue today, and will into the future.

We've answered the Commission's, and the Legislature's call for reform and efficiency. So have our riders and employees. Now, it's time for the Commonwealth to live up to its end of the bargain.

It is unfortunate that Act 44 did not live up to its expectations. The inability to toll Interstate 80 certainly was a major setback. However, the law also fell short in achieving an equitable distribution of public transportation funding statewide. As I've said publicly over the past several months, the collapse of Act 44 is not the Legislature's fault, but the problem now rests squarely on your shoulders. I'm here to pledge the support of the Port Authority in helping you to find reasonable solutions.

Immediately after passage of Act 44, Port Authority saw a 1.9 percent *decrease* in state operating funding when you compare the last fiscal year prior to Act 44's adoption and the first year after passage. As of today, Port Authority has experienced an average ¼ percent rate of growth in state funding through Act 44. With sharp annual increases in healthcare, fuel and other key expenses that are out of our control, this leaves Allegheny County's transit system in a very difficult situation.

Without the state's help, we have little choice but to make further, drastic changes.

Today, Port Authority faces a \$50 million operating deficit, not to mention ongoing capital struggles. I won't expound on capital issues today, but just to provide some examples, we have an East Busway pedestrian bridge that has remained closed for the past 3 years due to lack of funds and right now, our engineers are examining serious deterioration on a highway bridge over Camp Horne Road in Emsworth, which we do not have money to repair. Of even greater concern, our bus fleet continues to age, with 15% of our fleet exceeding its useful life, and that figure projected to rise sharply in the next few years.

We've worked hard to cut expense out of our largest capital project, the North Shore Connector, and to ensure the money we spend on its construction is isolated to capital grant programs specific to its completion. This work does not impact our day-to-day operating expense, and we have discontinued any planning activities on future, large

scale capital expansion projects. This was another recommendation of the Funding and Reform Commission.

Today I am here to tell you that, without action by the State to remedy the collapse of Act 44, Port Authority will be forced to solve our fiscal shortfalls by ourselves; which we will do, as we have in the past. However, to do so, we will devastate many lives; and damage (perhaps permanently) the economic competitiveness of our region and the Commonwealth.

Our board will be considering cutting service by 25 percent – or more, increasing fares, and eliminating hundreds of jobs.

Our board also will grapple with the possibility of having to take money from protected accounts that fund the long-term health care of retirees and the replacement of older buses and other necessary capital projects. This is a dangerous step to take, for obvious reasons, and one we wish to avoid.

We don't want to do these things. We not only understand the impact these changes would have on people's lives, we fear it will become another regional loss at a time when Pittsburgh, Allegheny County and Southwestern Pennsylvania are trying to build and shine nationally and on the world stage.

We all recognize that there is a short-term need to fill the gap left by the I-80 decision, and to again revisit how a comprehensive solution to the long term funding challenge can be achieved. At Port Authority, we stand ready to work with you to help define that solution.

Some might be inclined to put this decision off until the next state administration takes office. But, by then, it will be too late. The damage to this region will have been done, and unfortunately, much of it will be irreversible.

The time to act is now. This community, for one, can't wait.

Imagine our highways and city streets without healthy public transportation. Imagine putting tens of thousands of extra motorists on our highways each day, at rush hour. What would the commute from Monroeville to Pittsburgh be like on the Parkway East? If you sit in traffic at the Squirrel Hill Tunnel for an extra 20 minutes now, how much more time would be added? What would happen to city parking in Downtown and Oakland?

I ask you not to think, however, of statistics like these; as depressing and immense as they may be. The real story of our service is the story of the individuals who use it. Think of the single mother who is trying to be a productive member of society, commuting to a minimum wage job every day, and getting her children to and from childcare. The senior citizen, who "played by the rules" throughout their working life, and now only ask to be able to get to the doctor and the grocery store. Think of the inner city youth, who has no other way to get to a job training program and a chance to escape