

MINUTES OF THE REGULAR MEETING OF THE BOARD  
PORT AUTHORITY OF ALLEGHENY COUNTY  
9:30 A.M., JUNE 25, 2010

The Regular Meeting of the Board of Port Authority of Allegheny County was held at 9:30 a.m., Friday, June 25, 2010 at the Authority's Administration Offices, 345 Sixth Avenue, Pittsburgh, Pennsylvania 15222-2527, pursuant to due public notice given as required by law.

**Board Members:**

John A. Brooks, Chairman  
Guy Mattola  
Jeff Letwin  
Joan Ellenbogen  
Jim Dodaro  
Richard Taylor  
Mavis Rainey  
Eddie Edwards (via phone)  
Dr. Charles Martoni (via phone)  
Joel L. Lennen, General Counsel

**Media:**

Matthew Santoni – Tribune Review  
Ross Guidotti - KDKA  
Jon Schmitz – Post Gazette  
Laikin Page-Jacobs - WDUQ  
Katie James – KDKA Radio

**Port Authority Staff:**

Stephen Bland, chief executive officer, Claudia Allen, chief financial officer, Bill Miller, Bus Operations officer, Judi McNeil, communications officer, Tawnya Moore-McGee, assistant general management Human Resources, Winston Simmonds, Rail Operations/engineering officer, Wendy Stern, assistant general manager Planning and Development, Mike Cetra, Legal counsel, Tony Trona, director Purchasing and Materials Management, Heather Pharo, Public Relations representative, Tom Noll, director Technical Support & Capital Programs, Jeff Woodrow, chief technology officer, Denise Henderson, director Bus Operations, Dan DeBone, director Government & Civic Affairs, Deborah Skillings, community outreach coordinator  
Dave Gramc, controller, Diane Williamson, executive assistant

**Others:**

Jonathan Robison, ACTC  
Jon Smith, ACTC  
John Tague, CAT  
Glenn Walsh, Duquesne Incline  
Joe Catanese, County Council  
Annette Kroll  
Joan Natter  
Minoli Ratnatungo, Allegheny Conference  
Bruce Ahern  
Carolyn Lenigan

The Chairman called the meeting to order and recommendation was made for approval of the minutes of the May 28, 2010 Regular Board Meeting. The motion was moved, seconded and passed.

The Chairman called on Mr. Bland for a report. Mr. Bland reported that the most pressing issue today is consideration of the Authority's FY 2011 operating and capital budgets. He reported that on the operating budget side, we project a \$47 million operating deficit for the coming year due to a shortfall in anticipated state funding. In short, the Act 44 legislation put into place in 2007 to improve transportation funding has not met its expectations or the legislative intent. Today, all Pennsylvania transportation, but especially Port Authority, sits on the front burner, and our financial hit is immediate, reiterating that we're not alone. Tomorrow it will be others, PENNDOT, the highway and bridge program, SEPTA in Philadelphia, and certainly the other transit agencies in the state.

This is the message legislators heard this past Friday, June 17, in Monroeville, when the State House Transportation Committee as well as the Policy Committee held a joint hearing on this issue. Mr. Bland said that we heard a lot of things from a lot of constituents and stakeholders in the transportation debate. We heard the Pittsburgh Community Reinvestment Group tell the assembled legislators how transit riders in Pittsburgh saved more than \$8,000 annually in transportation costs by using Port Authority services. We heard the Downtown Pittsburgh Partnership remind the assembled group that 45 percent of the workforce in the Golden Triangle relies on transit to get there. Children's Hospital of Pittsburgh's Division of UPMC testified that their patients, families and visitors account for about 400,000 annual transit rides on Port Authority. Noting that for them, the issue isn't transportation, it's about access to healthcare and access to employment. Mr. Dan Cessna, the district executive for this region from PENNDOT, told us that on the road and bridge side, it is a statewide problem, just as crucial an issue for roads and bridges as it is for transit. Mr. Bland quoted what was told to assembled legislators by Mr. Ken Zapinski of Allegheny Conference on Community Development. Mr. Zapinski said, "Over the last four years, Port Authority has undergone a more radical improvement than any big-city transit agency in the country, bringing its expenses and its operations into line with reality."

Mr. Bland continued by saying that these weren't the only stakeholders who testified not only to the importance of public transportation, but to the progress that we made here in Pittsburgh. The message from the dozens of stakeholders who testified was clear. The current crisis is not a cost problem or an efficiency problem, or a reform problem; it is a state funding problem.

Although Mr. Mattola later this morning will be presenting the FY 2010-2011 budget for the Board's consideration for adoption, Mr. Bland wanted to report on some of the highlights. He reported that when you compare our proposed FY 2011 budget to the FY 2010 projected reality [a balanced budget], we're projecting a three percent increase in operating expenses; a five percent increase in passenger and other operating revenues; county funding that projected to remain unchanged [not increasing but also not decreasing]; and state funding that is projected to decrease by 15 percent, noting that a pretty simple analysis shows where the problem with our upcoming budget lies. He stated that, "I've said it before and I'll say it again, the legislature did not create the crisis brought on by the collapse of Act 44, but at this moment in time, they are the only ones who can solve the problem."

Mr. Bland announced that Allegheny County Council scheduled a hearing on this issue, noting that he plans to testify, and knows several of our Board members plan to attend. He noted that undoubtedly, we will be hearing more specific impacts from riders and other groups at this hearing.

Mr. Bland reported that we are not the only transit agency in the nation that's facing this problem. Since 2009, the American Public Transportation Association has reported that 84 percent of all transit agencies nationwide have cut service, increased fares, or are seriously considering those alternatives, largely due to the national economic downturn. The economic strains of providing bus and rail service are enormous across the country. And that's very unfortunate considering the direct benefits that our communities receive from that service. Mr. Bland reiterated [something that he often says] that public transportation is one of the most profitable businesses you can get into, but it's not the Port Authority or other transit agencies that keep the profit. It's the communities, the businesses and the individuals we serve when they can get to jobs; get to healthcare; and get to life's necessary activities.

Mr. Bland next reported on the Transit Development Plan. He reported that since the last time we met, we have implemented more route changes under the plan. He stated that these are monumental service changes that will really provide a firm footing both to the efficiency and productivity of Port Authority services moving forward. The second round of changes went into effect on June 13, with changes to 26 routes in our system, noting that the April changes affected about 60 routes. We are asking riders to allow for some time to adjust to the changes, and largely, they're doing that and adapting pretty well. If we didn't embark on this process of a top-to-bottom revamping of our service [for the first time in 50 years] our ability to maneuver through these difficult financial times would be even more stained. It would be hard to say that we've taken the steps to improve ourselves if we hadn't looked at the heart and soul of what we do here, which is the design of the service itself, and we'll continue to move forward with the next round of changes in September.

Mr. Bland ended his remarks by reporting on the North Shore Connector project. He reported that in early June, we reopened another part of the Stanwix Street intersection that had been closed since January 2009. Essentially, we reopened the section of Stanwix Street between Fort Duquesne Boulevard and Penn Avenue which of course has been closed due to construction of the new Gateway Station, noting that there has been, and continues to be, a lot of construction activity in that area. But as Winston and Keith Wargo reported, it is moving along very well, on schedule and on budget.

This concluded Mr. Bland's report.

The Chairman called on Mr. Letwin for a report of the Performance Oversight Committee.

The committee met on June 16, 2010 and notes from the May 19, 2010 meeting were approved. The committee then reviewed the operating budget and the consolidated balance sheet, both of which are included in your packet.

The operating budget results for the month of May were presented. Total revenue for May was unfavorable to budget primarily due to passenger revenues and interest income. Year-to-date revenue was unfavorable to budget primarily due to passenger revenues, ACCESS service and interest income. Expenses for the month were unfavorable primarily due to wages and salaries and employee benefits, materials and supplies and amount capitalized. Year-to-date expenses were unfavorable primarily due to purchased services and utilities.

There were seven resolutions reviewed and recommended by the committee.

The committee reviewed one procurement action in the amount of \$482,892.20. The committee found the bid to have been submitted in accordance with the Authority's procurement policies and procedures, the price to be fair and reasonable, and the bidder to be responsive and responsible. The Performance Oversight Committee recommends that a contract be awarded to L. B. Foster Company, in the amount of \$482,892.20, for the purchase of vulcanized tie plates used to replace the plates in the Mt. Lebanon Tunnel.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of this resolution as presented.

It was moved by Ms. Ellenbogen, seconded by Mr. Mattola and unanimously agreed that the resolution be approved as presented.

The next resolution authorizes the Authority to purchase 28 40-foot transit coaches. A series of coaches purchased in 1996 have accumulated excessively high service miles and are reaching the end of their useful life. Four proposals were received for the 40-foot coaches and it was determined that Gillig, LLC was the highest rated proposer. The unit price of each clean powered diesel coach will be \$392,585 and the unit price of each hybrid-powered coach will be \$590,085. The total not-to-exceed amount recommended for approval for the coaches, including training, spare major components, and special tools and diagnostic equipment is \$13,386,825. The coaches will start being delivered next summer.

With the funding gap, Ms. Ellenbogen asked for clarification regarding that the funding is already in place for these buses and we won't get them until mid 2011. Mr. Bland responded that the funding is already in place, and explained that a normal transit coach is supposed to last 12 years. At the point these are replaced, the buses these new buses will be targeted to replace will be 15 years old. As Mr. Letwin mentioned, they'll be replacing the 1996 Nova bus coaches, noting that we have 110 Novas in the fleet, and the combined purchase with this resolution is only about 53 coaches, so we're still only at about halfway replacing that fleet.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of this resolution as presented.

It was moved by Mr. Taylor, seconded by Mr. Mattola and unanimously agreed that the resolution be approved as presented.

The next resolution authorizes the Authority to purchase 25 60-foot articulated transit coaches. These vehicles will replace coaches that are at least 12-years old or have in excess of 500,000 miles and have reached the end of their useful lives. Two proposals were received and it was determined that New Flyer was the highest rated proposer. The unit price for each 60-foot coach will be \$666,358. The total not-to-exceed amount for approval for the coaches, again including training, spare major components, and special tools and diagnostic equipment, is \$19,733,366. The coaches will be delivered in the fall of 2011.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of this resolution as presented.

It was moved by Mr. Taylor, seconded by Ms. Ellenbogen and unanimously agreed that the resolution be approved as presented.

The next resolution authorizes the Authority to enter into a revolving credit facility with PNC Bank, National Association (PNC), to finance working capital cash flow deficits. The Authority receives annual operating grants from the Commonwealth of Pennsylvania and Allegheny County, and the timing of the receipt of these grants is not expected to match the operating expenditures which the Authority is required to make. As such, the Authority requires a revolving credit facility to fund working cash flow deficits. The proposal received by PNC was the highest rated received from three proposals. The Authority desires to again reenter into a working capital credit facility with PNC for FY 2011 with a term not to exceed 13 months in an amount not to exceed \$25 million.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of this resolution as presented.

It was moved by Ms. Ellenbogen, seconded by Mr. Dodaro and unanimously agreed that the resolution be approved as presented.

The next resolution authorizes the Authority to convey real property to the Borough of Dormont. In September of 1982, the Authority acquired an approximately 2500 square foot parcel of property at the corner of West Liberty Avenue and Park Boulevard in the Borough of Dormont. Recently, the Borough of Dormont requested the Authority to convey the property to Dormont to assist in its effort to revitalize and redevelop their business district. The Authority determined the property is excess property and is not required. Dormont has agreed to reimburse the Authority \$750 for the cost of the appraisal work for a total sale price for the property of \$12,750. Mr. Letwin noted that this is subject to FTA approval and written concurrence.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of this resolution as presented.

It was moved by Ms. Ellenbogen, seconded by Mr. Mattola and unanimously agreed that the resolution be approved as presented.

The next resolution authorizes the Authority to amend Agreement R08-04 for inspection and engineering services with GAI Consultants, Inc. The Authority entered into an agreement with GAI Consultants in August of 2008 to provide inspection and professional engineering services for the Bridge Management and Inspection Program. The agreement is for a three-year period with the option to extend the term of the agreement up to an additional two years. The current contract has a total not-to-exceed amount of \$995,000. The Authority has determined that it is in its best interest to increase the current not-to-exceed dollar amount of the agreement by \$750,000, for a total of \$1,745,000, in order to continue to utilize GAI to perform services on an as-needed basis through task-specific work orders.

Mr. Taylor requested clarification on what's contributed to the accelerated drawdown on the not-to-exceed amounts on this resolution as well as on the next one. Mr. Simmonds explained that when the Board originally approved the resolution, we had an estimate that was based on our capital plan. He noted that we tend to be very conservative so that we come back to the Board to show how we spent the funds and how we're moving forward to spend the funds in the future.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of this resolution as presented.

It was moved by Ms. Ellenbogen, seconded by Mr. Mattola and unanimously agreed that the resolution be approved as presented.

The next resolution authorizes the Authority to amend Agreements R08-03C/D for the light rail transit systems contract services with LTK Engineering Services and Hatch Mott McDonald, LLC. The Authority entered into agreements in May of 2009 with LTK and Hatch Mott McDonald to provide professional engineering services in support of light rail transit system projects. The agreements are for a three-year period with the option to extend the term of the agreements up to an additional two years at the sole discretion of the Authority. The current agreements have a total combined not-to-exceed amount of \$2 million. The Authority has determined it is in its best interest to increase the total not-to-exceed dollar amount of the agreements by \$2,300,000 to a combined total of \$4,300,000 in order to continue to utilize the contractors to perform services on an as-needed basis through task-specific work orders.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of this resolution as presented.

It was moved by Mr. Taylor, seconded by Ms. Ellenbogen and unanimously agreed that the resolution be approved as presented.

The committee then received an update on the North Shore Connector project by Keith Wargo. Mr. Letwin reported that overall construction is 72 percent complete and on schedule and within project budget, adding that he thinks this is amazing considering the size of this project.

A change order under Contract NSC-009 Train Systems, was presented for plinth replacement between Wood Street and Gateway Station and Steel Plaza to First Avenue. During the planning and design of the Wood Street crossover installation, it was observed that the existing concrete plinths supporting the track between old Gateway Station and the First Avenue Station exhibited deterioration due to age and cyclical train loading. Given that portions of the track would be taken out of service on weekends to install the crossover, concrete plinth repairs were included in the scope of the contract for completion at the same time. 960 linear feet of plinth repairs were completed between October and November of 2009, and a change order in the amount of \$544,000 is needed to complete an additional 860 lineal feet of plinth repairs.

That concluded the report of the Performance Oversight Committee.

The Chairman called on Mr. Mattola for a report of the Planning and Development Committee.

Mr. Mattola reported that the Planning and Development Committee met this month to review two proposed actions for your consideration. The first resolution requests authorization to enter into an agreement with the Southwestern Pennsylvania Commission to participate in the 2010-2011 Unified Planning Work Program. This program will provide \$196,000 of federal planning dollars to Port Authority, supplemented by a 20 percent local match in cash or in-kind services, for a total program amount of \$245,000. As in past years, it is anticipated that in-kind services, especially this year, will be used to provide the local match.

On behalf of the Planning and Development Committee, Mr. Mattola respectfully requested approval of this resolution as presented.

It was moved by Mr. Taylor, seconded by Ms. Ellenbogen and unanimously agreed that the resolution be approved as presented.

The second resolution pertains to our 2011 operating budget and our 2011 and 2012 capital improvement budgets. Mr. Mattola first wanted to take a few minutes to address a very serious situation that this Board faces today.

Mr. Mattola reported that he believes it is worth mentioning again that most people forget how and why Port Authority is here in the first place. It is because more than 30 for-profit private companies, transportation companies, who tried to serve this region before us went bankrupt. They discovered early on that the farebox could not support a viable, affordable public transportation system, even when the population was double what it is today and transit ridership was 40 percent higher. Port Authority was then created by the state to pick up the failures of those private companies and protect transit service in this community. We cannot continue to do that without the state's help. The state's transportation shortfall today makes it impossible to provide adequate transit service.

Mr. Mattola noted that this is not a bailout. We are simply asking the state to enact a law that sustains a reliable funding source, nothing more, nothing less. We are not sitting on a windfall from Act 44 or from Allegheny County. Our share from the state actually decreased by 1.9 percent in the year after Act 44 was established, and since, it has increased annually by an average of only one quarter of one percent. Likewise, the county's tax revenues to support public transportation did not provide any significant increase. Although to their credit, they are the only of 67 counties that do provide some dedicated funding for public transportation.

Mr. Mattola stated, "Let me be clear, these strains of money do not provide Port Authority with extra money, they simply sustain our funding levels." He added that what is so unfortunate about the actions we're considering is that we've made so much progress in recent years thanks to the conscientious efforts of Steve Bland and his staff. We've accepted a responsibility of finding ways to improve Port Authority, which by the way, is the region's 25<sup>th</sup> largest employer and the nation's 21<sup>st</sup> largest transit agency. No other transit agency in Pennsylvania has made the reforms that we have. We cut \$52 million in annual labor expenses; we generated \$14 million more in annual revenue; we froze salaries; and we are revamping our bus and T service top to bottom for the first time in 50 years. But now, the state law designed to support this progress has fallen short. We need our state

legislators to finish the job they started with Act 44. We must emphasize again the need to recognize that public transportation affect so many parts of this community.

Unfortunately, today, we are obligated to adopt a balanced budget. The impact this will have on service in our region is drastic and possibly irreparable. Before presenting the resolution, Mr. Mattola stated that we again ask the legislature to accept responsibility for what they created, and to provide viable and affordable public transportation for our community.

On behalf of the Planning and Development Committee, Mr. Mattola respectfully requested approval of the FY 2011 Operating Budget and FY 2011 and FY 2012 Capital Improvement Budgets as presented.

Before approval Ms. Ellenbogen commented that the resolution for the operating budget states that we are adopting this budget and if we don't get the funding, then we will need to implement service reductions in January 2011 of over possibly 30 percent, leaving entire communities without transportation, and personnel reduction of over 500 employees. She suggested that we put something similar in the capital budget that we'd have related to capital reductions.

Mr. Bland responded that you could make an adjustment or it could be a direction to staff. He noted that the intent of that particular paragraph is that because there's also a capital budget shortfall, which really manifests itself in the fleet replacement program, the intent was that we would come back with a fleet replacement program that the Board would adopt down the road. Also, the intent of that program would be to do really two things, one, to make sure we had normalized replacement cycles. As Mr. Letwin reported, one of the reasons that we've gone over on labor and materials is we've had a lot of work on an aging fleet this year. So, it is to have a fleet replacement plan that's resilient enough to changing service demands. And that could be, as Ms. Ellenbogen mentioned, if you have to reduce service, you cut back on the number of buses you might purchase in a year. He also noted that maybe some day we're be back in the position of being able to increase service and increasing the number of buses. But it could also accommodate things like if there's a desire to move toward alternate fuels, or if there's a desire to change the types of buses that are purchased. So the intent is to make it a resilient plan, but certainly any language the Board would entertain in this resolution to give more clarity to that direction would be fine.

With that, Mr. Dodaro amended the motion to read that we would adopt the resolution with the amendment as suggested by Ms. Ellenbogen.

It was moved by Mr. Taylor, seconded by Mr. Dodaro and unanimously agreed that the resolution be approved as presented with amendment.

That concluded the report of the Planning and Development Committee.

The Chairman called on Ms. Ellenbogen for a report of the Stakeholder Relations Committee.

Although the committee did not meet in June, Ms. Ellenbogen did have a few items to report.

Ms. Ellenbogen reported that our Public Relations staff was busy educating the public on the June 13 TDP service changes. Ms. Deborah Skillings attended 27 meetings and events in May and distributed 2,500 brochures relative to the June 13 service changes. Mr. Dan DeBone worked tirelessly to inform local and state elected officials and their respective staffs so that everyone would be up to speed on the most recent TDP changes. Mr. Jim Ritchie and Ms. Heather Pharo got the word out via the news media, our blog and twitter, as well as, in conjunction with our IT folks, posted detailed information on our web site.

The Communications Office recently met with the Citizens for Accessible Transit (CAT) Committee to discuss Port Authority's budget issues and how they can help, along with fare policy issues and accessibility improvements to the Authority's Web site. CAT Committee members and ACTC representatives have formed a Rider Advisory Group that will provide input into our long-range fare policy decisions relative to the introduction of SmartCards. CAT members are also engaged in our budget crisis by speaking at public opportunities and discussing the issues with their legislators. Finally, CAT has formed a group to help ensure that the future redesign of our web site is done in a manner that provides optimum accessibility for persons with visual impairments.

Next Ms. Ellenbogen reported that the Communications Office, along with the Service Planning and Development staff, met with a representative from Bike Pittsburgh regarding updating our web site to reflect changes related to our Bikes on Transit Program. Our goal is to have 100 percent bike accessible in the near future.

Ms. Ellenbogen then reported on the extensive public outreach effort relative to communicating our financial crisis and our budget deficit. The Stakeholder Relations Committee, along with Mr. Bland and the Communications staff, has been busy trying to educate the public on the real cause of our budget deficit. It is not really a deficit. It is a revenue problem, not an expense problem. As Steve reported, our revenues are projected to be up five percent and our expenses are increasing only three percent. This is really a funding gap. Staff has contacted numerous stakeholders to ensure that they have the facts regarding this funding gap and to inform them of the opportunities to publicly state why transit is important to them and their organizations. Several of those organizations have testified at the House Transportation Committee in Monroeville last Friday, noting that of course the man who has been speaking the most and the loudest on all of this, Steve Bland, also testified. He has been on the speaking circuit for weeks now talking with groups in the region as well as elected officials in Harrisburg, and probably can recite his budget presentation in his sleep now. Mr. Bland and Mr. Taylor are also going to appear on PCNC's Night Talk on July 1, and Ms. Ellenbogen is certain that this dynamic duo will do an excellent job of communicating the facts. Mr. DeBone has been taking a beating in the capital city over the past few weeks.

Ms. Ellenbogen continued by saying that while Steve Bland and the staff are working their fingers to the bone and speaking until they are hoarse, it is time for local businesses and organizations to step up to the plate and be heard. The public and the legislators need to be clear that the service and fare actions that we may be forced to take will significantly impact our community. They need to know who will be impacted by the extensive service cuts and fare increases; who will lose their jobs; or their businesses may fail because their employees can't get to work; who will no longer be able to get out of bed or live a full life or work or pay taxes because they're disabled and their attendant is unable to assist them because they rely on transit; what students will have to bear the burden of parking fees to

attend classes if transit service is no longer available to them. And that's of course assuming that they'll be able to find a place to work. Ms. Ellenbogen reported that we have already heard from some of these individuals, and others have made their concerns public. But many remain silent. We will need everyone's help in getting this issue of securing dedicated and predictable and growing funding sources for transportation on the front burner in Harrisburg. She continued by saying that there are opportunities out there to be heard. As Steve mentioned, Allegheny County Council will be holding a hearing in the Gold Room of the County Courthouse on Tuesday, June 29 at 5:00 p.m., and everyone is welcome. Ms. Ellenbogen urged everyone to use this opportunity and any avenues available to stand up for transit.

Ms. Ellenbogen ended her report by stating, "If we are forced to make these service cuts, the chance that we'll ever be able to recover from them will be very unlikely. As a region, we cannot afford to see this happen."

That concluded the report of the Stakeholder Relations Committee.

The Chairman gave a report of the Governance Committee. Mr. Brooks reported that he had the pleasure of running around Harrisburg with Mr. Bland and commented that the people at Port Authority certainly work hard for the riders and for the right reason. He also commented that the Board works hard and has done everything possible that it could. He stated, "It's certainly the hardest working Board I've been around, and I've been here the longest for sure." He noted that it keeps getting harder and harder every year. We're always out there begging for money, noting that he would think that one of these times maybe they'll have a source of funding and we won't have to be putting our riders through this every time there has to be a decision. But, he noted that he does not know how much help we're going to get from Harrisburg. Right now, before there's even a budget, there's a billion and a half short. Next year they're saying three and a half to five billion. He said that it looks to him they they're waiting for either candidate for governor to come in to solve the problem, whoever wins, which isn't going to be an easy job for either person.

This concluded the Governance Committee report.

The Chairman called on Mr. Dodaro for a report. Mr. Dodaro stated that, "It's been broadly reported that the primary reason for the inability of Act 44 to provide adequate revenues for PENNDOT and for transit is because of the rejection of the tolling of I-80 application by the Federal Highway Administration. It has been broadly reported, and quite frankly to my frustration, that one of the primary reasons that the application was rejected in both instances upon submittal was because both applications called for diversion of revenues from the maintenance of I-80 to PENNDOT for other purposes. The lack of the tolling of I-80, although we were not going to get any direct revenues from those tolls, it's my understanding, resulted in us losing about \$28 million."

Mr. Dodaro continued by saying, "I believe that it should be broadly reported and that we as a Board should take action to implore the governor, PENNDOT and the Pennsylvania Turnpike Commission to resubmit the I-80 application to the Federal Highway Administration; only this time in submitting the application indicate that every penny generated from the tolling of I-80 will be used for the maintenance of I-80. Now, on the surface, that may not seem to help us. However, in reality, if you calculate how much it costs PENNDOT every year just to maintain I80, not just in capital costs but

also in operating costs, I'm told that it varies anywhere from \$200 to \$300 million a year. So you can see, if PENNDOT is relieved of the burden of having to maintain I-80, and if I-80 becomes a self-sustaining interstate highway, that would free up other Act 44 revenues so that it could be used for transit and other purposes. I would like to make a motion that we send those letters to the governor, to PENNDOT and to the Turnpike Commission, and that we also ask our sister agencies in transit, especially SEPTA, to do likewise. I believe it's a necessary step. I believe it's something that should have been done from the inception. The benefit not only extends to PENNDOT, and indirectly to transit, it also extends to the Port of Philadelphia that would receive significant benefit if I-80 were no longer a free road, in terms of the cargo traffic that would be using that port as opposed to the ports of New York and New Jersey. I think it's a win-win for everybody and it's a first step in the right direction. The Federal Highway Trust Fund is in dire need of funding. And everybody knows that there is not sufficient money there to fund interstate highway maintenance in the future. The future trend is going to be towards the tolling of interstates. But it is never going to occur if states apply on the basis of diversion of revenues. It has to be that every penny generated goes back into that particular interstate."

With that, Mr. Dodaro made a motion that we as a Board and as an entity send those letters to the governor, to PENNDOT and to the Pennsylvania Turnpike Commission.

It was moved by Ms. Ellenbogen, seconded by Mr. Taylor and unanimously agreed that the motion be approved.

The Chairman called on Mr. Jonathan Robison, recently re-elected to his final one-year term as President of the Allegheny County Transit Council.

Mr. Robison reported that he is here personally. He strongly supports the operating budget introduced and he believes we should all support it. It keeps the basic service intact, assuming that we're going to get the \$50 million we should get under the state programs, so you might say that it is conditionally balanced. But it is still by far the best alternative, if not the only alternative. Moreover, what is ACTC doing? We have been passing out cards at bus stops and community meetings urging people to call their legislator to tell them people need the buses. We have printed, at our own expense, and passed out almost 2,000 cards. Mr. Robison is going to suggest at ACTC's next executive meeting to do more. We owe it to the riders and we owe it to the region to do what we can to get the legislature to act responsibly on transportation funding.

Mr. Robison continued by saying that when he testified in Monroeville, he specifically called on Representative Markosek, the Chair of the House Transportation Committee, and Senator Pippi, who is on the Senate Transportation Committee to show leadership and put a package together. He continued by saying that he has heard maybe 15 solutions to the transportation funding, but we need leadership to put together a solution or a package of solutions and get it enacted. We are urging our legislature to get together right now to come up with a specific plan to be enacted.

Mr. Robison ended his report by thanking the Board for this budget and will support it in any way he can.

The next regular meeting will be Friday, July 23, 2010.

The meeting was adjourned.

Approved