

## **Steve Bland Remarks**

Port Authority of Allegheny County

Board of Directors Meeting

June 2010

Good morning,

I'd like to spend a few minutes bringing everyone up to speed on a few matters.

### **Budget**

- The most pressing issue today is your consideration of the Authority's Fiscal 2011 operating and capital budgets.
- As you know, 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 expectations, or legislative intent.
- Today, all Pennsylvania transportation – but especially Port Authority – sit on the front burner. Our financial hit is immediate.
- Make no mistake though, we are not alone. Tomorrow, it will be others – PennDOT highways, local bridges and other transit systems statewide. We're all in the same boat.
- If you don't think that's the case, just ask Dan Cessna at PennDOT, or anyone else responsible for maintaining roads and bridges across the region and the Commonwealth.
- This is the message State Legislators heard on June 17<sup>th</sup> during a joint hearing of the State House Transportation and Policy Committees in Monroeville.
- We heard the Pittsburgh Community Reinvestment Group tell how transit riders in Pittsburgh save more than \$8,000 annually in transportation costs by using Port Authority services.
- The Pittsburgh Downtown Partnership reminded us that 45 percent of the workforce in the Golden Triangle relies on public transportation.

- Children’s Hospital of Pittsburgh of UPMC testified that their patients, families and visitors account for about 400,000 annual Port Authority riders. For them, this is an issue about access to health care and access to jobs.
- PennDOT’s Dan Cessna told us this is a statewide problem that’s just as critical for road and bridge preservation as it is for public transportation.
- And Ken Zapinski of the Allegheny Conference on Community Development told assembled legislators that “election year business as usual is no longer good enough” as he urged them to solve the transportation funding crisis.
- Mr. Zapinski (on behalf of the Conference) also testified (and I quote) “over the last four years, the Port Authority has undergone more radical improvement than any big-city transit agency in the country, bringing its expenses and its operations in line with reality.”
- The message from the dozens of stakeholders who testified was clear. The current crisis is not a cost problem, an efficiency problem or a reform problem. It is a statewide funding problem.
- If you need more proof, the operating budget that Mr. Mattola will present to you later in the meeting can be summarized as follows:
  - When comparing our balance FY2010 operating budget to the FY2011 budget with a \$47 million deficit we see:
    - A 3% increase in operating expenses.
    - A 5% increase in passenger and other operating revenues.
    - County funding that is unchanged from FY2010.
    - State funding projected to decrease by 15%.
- 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 they are now the only ones who can fix it.
- We’ll hear more specific impacts from riders and other local groups during an Allegheny County Council hearing on public transit, scheduled for Tuesday. I plan to testify.
- Finally, it’s easy to forget that we’re not the only transit system facing tough times right now.
- Since January 2009, 84 percent of all public transportation agencies in the United States have cut service, increased fares or considered these actions, according to the American Public Transportation Association.

- The primary reason, nationwide, is decreasing government funding.
- Sound familiar?
- The economic strains on providing bus and rail services are enormous across the country, which is unfortunate considering all the benefits directly linked with public transportation.
- As I've often said, public transportation is one of the most profitable businesses you can be in. Unfortunately, we don't keep the profits, but the communities we served and all residents – riders and non-riders – do!

### **TDP**

- Since the last time we met, more route changes and improvements were put into place associated with our Transit Development Plan.
- As you know, these are monumental service improvements that will provide a firm footing for Port Authority's route structure moving forward.
- The second group of changes started on June 13, with changes to 26 routes.
- We're again asking riders to allow for some time to get used to the changes and recognize that we're doing this to protect public transportation in Allegheny County.
- If we did not embark on the process of a top-to-bottom revamping of our service – the first in 50 years – our ability to maneuver through these tough financial times would be even more difficult.
- It'd be hard to say we've taken steps to improve ourselves if we hadn't tackled the heart and soul of what we do here – the service itself.
- So, now staff is heading toward another group of changes planned to occur in September.

### **Penn-Stanwix**

- And, as I always promise, a bit of good news to end my report ...
- In early June, we reopened another part of Stanwix Street that had been closed since January 2009 due to our North Shore Connector extension.

- This essentially reopened the section of Stanwix between Ft. Duquesne Boulevard and Penn Avenue, which of course had been closed due to construction of our new Gateway Station.
- So, there has been – and continues to be – a lot of construction activity in that area. But, more things are opening than closing, and that's good news.

Mr. Chairman, unless there's any questions, that concludes my report.