

MIKE TURZAI
Majority Leader

Room 110 Main Capitol Building
PO Box 202028
Harrisburg, PA 17120-2028
Phone: (717) 772-9943



House of Representatives
Commonwealth of Pennsylvania
Harrisburg

125 Hillvue Lane
First Floor
Pittsburgh, PA 15237
Phone: (412) 369-2230

Memorandum

To: All House Members

From: Representative Mike Turzai
Representative Mark Mustio

Subject: Proposed Legislation –Reintroduction of Proposal to Eliminate Transit Monopoly in Allegheny County (Previously HB 535)

Date: February 16, 2011

In the near future we intend to reintroduce legislation that will eliminate a state-mandated monopoly on transit services in Allegheny County. Current state law gives the Port Authority of Allegheny County the exclusive right over transit within Allegheny County.

According to a June 30, 2010 audit, the Port Authority's 2009-10 operating expenditures were \$383.8 million, an increase of \$36.9 million, or 11 percent, over 2008-09. This increase was largely due to an \$18.4 million increase in employee benefits. Of the Port Authority's total revenues, the Commonwealth paid the largest share at \$184.5 million in 2009-10, while \$93.2 million came from the Authority's own operations and \$27.7 million came from the county. The Authority's total operating revenues for 2009-10 were \$342.2 million; however, the total operating expenses were \$383.8 million, leading to an operating deficit of \$41.6 million. This deficit led to the state's \$45 million bailout of the Authority in December 2010.

On November 16, 2010, the Allegheny Institute for Public Policy released a study that compared the mass transit systems of 20 U.S. cities, including Pittsburgh. Compared to the other cities, Pittsburgh had the fourth highest operating expense per passenger trip, at \$4.44, well above the group average of \$3.76.

This legislation will permit private companies or other regional transit systems to be able to deliver transportation services, hopefully more efficiently than the Port Authority and at no burden to Pennsylvania's taxpayers. By enabling competition in Allegheny County, we will allow the free market to operate and incent the Port Authority to operate more efficiently.

If you would like to co-sponsor this legislation, please contact Stacy Bowie at sbowie@pahousegop.com or 717-772-9943.

Previous Co-Sponsors of HB 535 from 2009-10: Turzai, Mustio, Benninghoff, Boyd, Brooks, Causer, Clymer, Creighton, Cutler, Denlinger, Everett, Fleck, Gabler, Geist, Grell, Grove, Harris, Hess, Hutchinson, Kauffman, Marshall, Metcalfe, Miller, Moul, Murt, Payne, Perry, Pickett, Preston, Pyle, Rapp, Reese, Reichley, Roae, Rock, Scavello, Sonney, Stevenson, Swanger and Vulakovich