



**PA HOUSE TRANSPORTATION COMMITTEE
LANta TESTIMONY**

June 17, 2013

**Armando V. Greco
Executive Director**

*Lehigh and Northampton Transportation Authority
1060 Lehigh Street, Allentown, PA 18103
Phone: 610-435-4052
agreco@lantabus.com*

PA HOUSE TRANSPORTATION COMMITTEE
LANta TESTIMONY

June 17, 2013

Good morning! I am Armand Greco, Executive Director of the Lehigh and Northampton Transportation Authority, commonly referred to as LANta. LANta was formed in 1972 by the Counties of Lehigh and Northampton to provide public transportation services throughout the Lehigh Valley. Through a 1996 contract arrangement, LANta has expanded operations to include the County of Carbon. Annually, more than 6 million trips are delivered under this consolidated service.

The Lehigh and Northampton Transportation Authority would like to express our appreciation to the Committee for moving the process forward which we hope will lead to an enhancement of funding available for the Commonwealth's transportation system.

The funding plan released by the Governor and enhanced by the Senate Bill 1 provides for a significant influx of funding for the upkeep and modernization of Pennsylvania's transportation network.

The plan calls for significant enhancements to the level of state funding provided to the Commonwealth's public transportation systems. Enhanced and stable funding for public transportation will allow LANta to continue the improvements to the Lehigh Valley's regional public transportation system as envisioned in its twelve-year strategic plan, *Moving LANta Forward*, which was adopted by the LANta Board of Directors in February 2010. With enhanced funding levels, LANta will focus on ongoing efforts to address key priorities including:

- Timely replacement of our fleets of 83 buses and 108 paratransit vans;
- Expanded use of alternative fueled vehicles in the bus fleet;
- Upkeep and modernization of operating facilities;
- Improvements to transit centers and passenger amenities;
- Enhancements to the overall level of service available; and
- Continued investment in technology designed to improve the efficiency and convenience of LANta services.

Continuous improvement to the services provided by LANta and the assets used to provide that service is vital if we are to meet the mobility needs of Lehigh Valley residents in the coming

decades. Since 1997, LANta has experienced a 60% growth in ridership on our fixed route bus services, while service miles increased only 40%. Much of this growth in demand can be attributed to the community's population growth. This is significant to note given the Lehigh Valley Planning Commission's population projections for the next two decades sets forth an estimate that the Valley will add more than 200,000 people, a 22% increase, which represents a faster pace of growth than was experienced over the past two decades. LANta will need expanded service levels as well as modern, reliable vehicles and facilities to meet the resulting transportation needs.

Further, the Authority notes that transit in our region is not only assisted by enhanced funding levels for public transportation, but also through the additional funding that will be dedicated to highway and bridge infrastructure. The efficient operation of bus and paratransit service requires a network of highways and bridges which provide for adequate capacity and are maintained in optimal condition. Continued deterioration of the highway and bridge network results in detours which add time and cost to LANta's operations as well as inconvenience for its riders. Our goal is to make our service as convenient as possible and these types of disruptions resulting from the condition of the roads and bridges impede our efforts.

The funds appropriated to LANta and public transportation in general have a strong and positive impact on our regional and statewide economy:

- LANta directly employs 175 people in its operations and maintenance divisions. Our private paratransit contractor, Easton Coach Company, employs an additional 200 people locally.
- LANta service provides Lehigh Valley residents with access to employment and educational facilities. Over 50% of rides on LANta's bus services are taken for work commute purposes and an additional 10% are people traveling back and forth to school.
- Quality Transit service and highway access is key to attracting new out-of-state manufactures to the Lehigh Valley such as Ocean Spray and Flowserve Corporation, both of which are within LANta's current service area.
- LANta also makes extensive use of local businesses for numerous functions. Of LANta's annual operating expenditures, 42%, or about \$15 million annually, are spent with private business for various services including:

- The administration and operation of the paratransit, LANtaVan system is provided under a contract with a local private operator, Easton Coach Company.
 - Numerous vehicle repair and building maintenance functions are provided through contracts with private vendors.
 - LANta's IT functions is provided through a private contractor.
 - LANta makes extensive use of private local providers of other services such as printing services, production and installation of bus stop and transit center signage, and security services among others.
- LANta's current bus garage construction project is pumping \$13 million into the local economy through the use of local contractors.
 - Lastly, state and local funding for the purchase and maintenance of capital assets is significantly leveraged. It provides the necessary match for capital funding through Federal Transit Administration grants. For every \$1 provided by the state; \$4 additional dollars is provided by through federal grants. Since many of these dollars are used for the maintenance and upkeep of capital assets, these dollars are directed through private contractors.

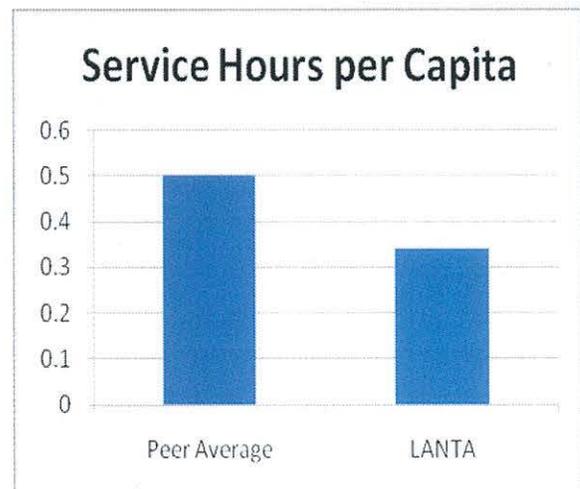
In conclusion, LANta emphasizes that the release of the Governor's plan and the enhancement to that plan by Senate Bill 1 are essential steps in securing the type of transportation funding program needed in Pennsylvania. The Authority is prepared to work with the this Committee and the Lehigh Valley's legislative delegation to continue the effort to enact a transportation funding program that will not only help to grow our regional economy, but to also support economic growth and development throughout the Commonwealth.



What Could LANta Achieve with Enhanced and Stable Public Transportation Investment?

In February, 2010 LANta adopted *Moving LANTA Forward*, a 12-year strategic plan which creates a vision for public transportation in the Lehigh Valley. Through *Moving LANTA Forward*, LANta has a clear blueprint for how enhanced and stable transit funding would be used in our region to promote the livability and economic vitality of the Lehigh Valley. LANta's priorities will include:

1. Replacing fixed route buses and paratransit vans in timely manner. Supporting the expansion of the fixed route and paratransit fleet to meet growing demand.
2. Continued modernization of LANta's facilities.
3. Enhancing transit service levels throughout the Lehigh Valley as outlined in LANta's 12 year strategic plan, *Moving LANTA Forward*. The plan responds to various factors including:
 - The Lehigh Valley adopted a regional Comprehensive Plan with overall goals to reduce congestion, employ smart growth, preserve agricultural land and revitalize urban centers. The plan recognizes the role of transit in addressing these goals;
 - Demand on LANta's fixed route system has grown by 60% since 1997, resulting in overcrowding on some routes;
 - General public and rider surveys communicated a desire for enhanced transit service in the region;
 - Peer reports showed that the residents of the Lehigh Valley receive a much lower level of transit service on a per capita basis when compared to similar communities.



The planning effort created a regional transit vision that:

- Enhances transit service levels on key corridors;
- Redesigns the core fixed route network to promote user friendliness;
- Improves connections to major employment centers and inter-regional commuter bus services;
- Establishes flexible feeder service model to serve less dense suburban areas; and
- Creates a foundation for higher modes of transit.

Impact of Funding Shortfall

In the short term, LANta will be affected in its ability to replace its fixed route and paratransit fleets in a timely manner. In addition, the funding shortfall will preclude LANta from expanding its fleet to implement service enhancements designed to address growing demand (i.e., growth in ridership) and meet the needs of a growing community.

Fleet Purchase Needs 2013-2016

Capital Item	Replacement	Expansion	Total	Total Cost (\$)	Est. Non-Fed Share (\$)
Fixed Route Buses	32	4	36	12,600,000	2,520,000
Hybrid Add-On	32	4	36	7,200,000	1,440,000
Vans/Minibuses	80		80	6,800,000	1,360,000

\$350,000 per diesel powered fixed route bus
\$200,000 cost differential for hybrid power add-on
\$85,000 per van/minibus

The inability to replace buses and vans as they reach their economic useful life will result in increased ongoing vehicle maintenance costs and will have a deleterious effect on service reliability.

Longer terms affects will make it difficult for LANta to maintain service levels and will preclude LANta from implementing planned service enhancements.



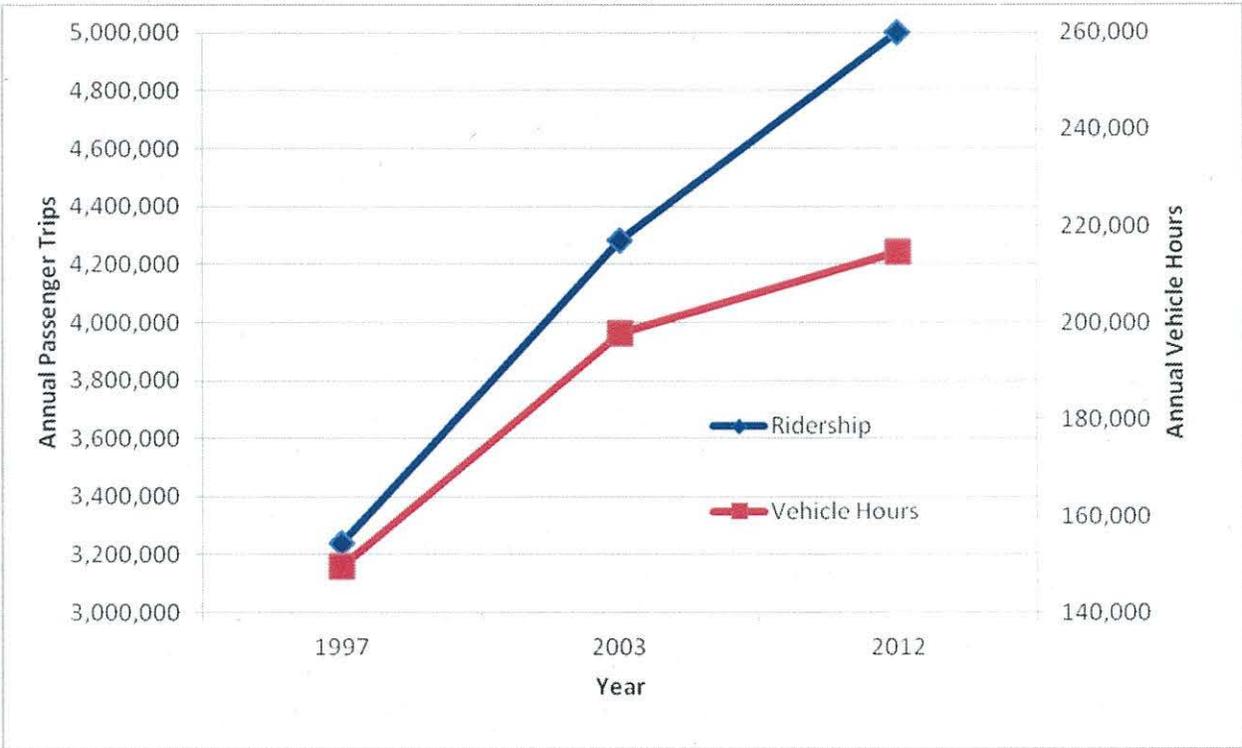
Organization

LANta directly employs 180 people dedicated to the administration of the fixed route and paratransit systems as well as the operation and maintenance of the fixed route system. Easton Coach Company, the private service provider under contract to administer and operate the paratransit system, employs approximately 200 people.

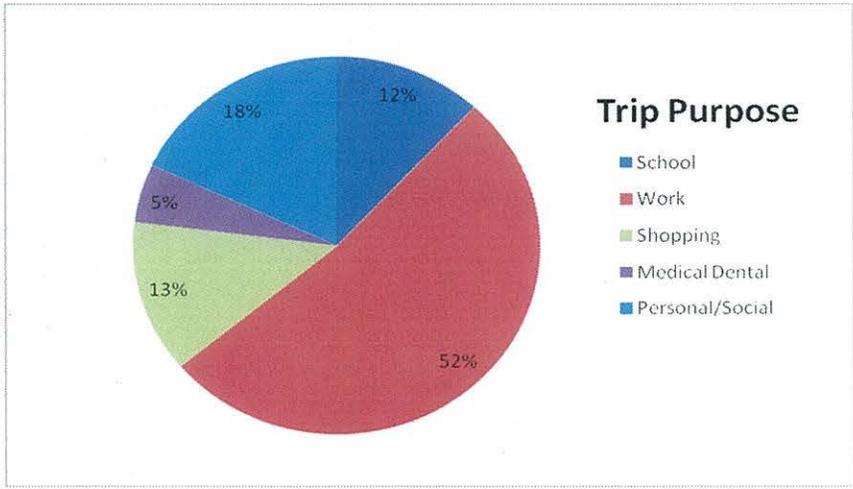
Ridership

In 2012 LANta carried approximately **5 million** passengers on its fixed route LANtaBus service. Over **400,000** trips were provided on the demand response paratransit LANtaVan system.

Since 1997, ridership on LANta's fixed route LANtaBus service has grown by **60%**, outpacing the growth in service hours, which increased by 40% over the same period.



Among LANta’s fixed route riders, on any given day, **over 50% use the system to travel back and forth to work**. Another 12% use the system to travel to and from school. The remaining riders use the system to patronize local retail businesses, access medical and dental facilities or attend to other personal needs.



On any given day, approximately **1,500 to 2,000 seniors** will ride the fixed route LANtaBus system allowing them to age in place and maintain independent mobility.

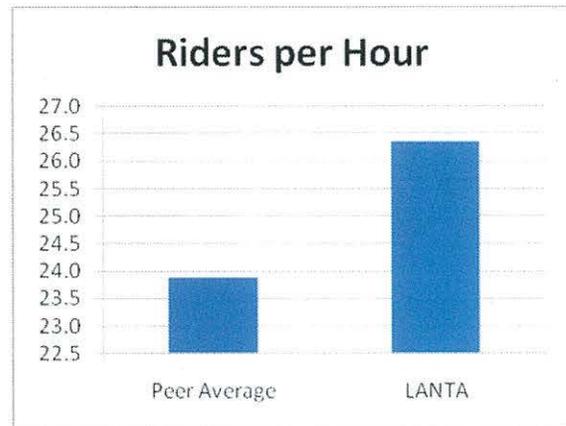
Efficiency Performance

As an agency, one of LANta's core guiding principles is sound financial management. This principle is a primary guide in administrative decisions such as:

- As a result of a multifaceted approach to safety, LANta's Worker's Compensation costs have decreased by 40% since 2006. In addition, property and liability claims have fallen by nearly 80% since 2008.
- Based on an analysis performed by a private consultant which showed that cost savings could be achieved through using one contracted carrier to administer and operate the LANtaVan system (formerly Metro Plus), in 2006 LANta issued an RFP which permitted carriers to present proposals to run the entire operation. The selected proposal provided for an estimated 15% total operating savings (\$7 million) over the life of the agreement.

These actions, among others, have resulted in an impressive cost efficiency performance for LANta when compared to peer transit systems:

- A peer group analysis showed that LANta's cost per passenger is 15% below the average of its peers.
- LANta ranks highest among the peer group in terms of the percent of total cost dedicated to the provision of revenue service and performs 14% above the average of its peers.
- LANta's administrative cost as a percent of total costs is 37% less than the average of the peers.



Use of the Private Sector

LANta makes extensive use of private sector solutions in all areas of its operations. In fact, **42% of all LANta expenditures** (approximately \$15 million annually) are spent on local private firms for various services including:

- Virtually 100% of the administration and operation of the paratransit LANtaVan system is provided under a contract with a local private operator, Easton Coach Company.
- LANta's IT function is provided through a private contractor.
- Numerous vehicle and building maintenance functions are provided through contracts with private vendors.
- LANta makes extensive use of private local providers of other services such as printing services, production and installation of bus stop and transit center signage, and security services among others.