

**House Transportation Committee Public Hearing - Wednesday, August 19, 2020**  
**Port Authority of Allegheny County**  
**Katharine Kelleman – Chief Executive Officer**

Good morning, Chairman Hennessey and distinguished members of the House Transportation Committee.

My name is Katharine Kelleman, and I have the honor and privilege to be the CEO of Port Authority of Allegheny County in Pittsburgh.

I was originally expecting to provide this testimony before the pandemic known as covid-19 swept across the country, and before I get to the devastating affects covid-19 has taken on the public transit industry, I want to take a moment to thank you for hosting this public hearing and to acknowledge all of those who have been working so hard to ensure the future of mass transit in Pennsylvania.

The sheer number of bills shows just how seriously our leaders are taking this issue, and on behalf of Port Authority's 2,600 employees and more than 200,000 daily riders, we thank you.

Public transit is the engine that moves us.

It transforms communities; helps businesses flourish and attract employees; connects people to the places they want to go; and offers opportunity, freedom and accessibility to those who may not otherwise be able to get around. It ensures that Pennsylvania's most vulnerable residents have access to work, healthcare, and basic personal services.

Since I joined Port Authority in early 2018, we have made incredible strides to improve public transit regardless of whether you take a bus to work every day or ride the incline once a year to watch fireworks on the Fourth of July.

We've opened a new customer service center, expanded routes to provide better connections and access, and our customers now have more ways to stay connected with free WiFi on all of our buses.

We became the first transit agency in the nation to partner with a bikeshare service to further extend our reach into local communities, and we've begun to reduce carbon emissions with our first two battery-electric buses.

As we entered the midway through fiscal year 2020, we were turning the corner, so to speak.

Even in a thriving economy - when we would expect to see more people driving in private automobiles - demand for our services was high and ridership was approaching a 10-year

high. Although Pittsburgh is just the 66<sup>th</sup> largest city in the country in terms of population, we are the 26<sup>th</sup> largest transit agency in the county, in terms of ridership. People here vote for transit every day.

An economic impact study completed in late 2019 showed the unbelievable impact Port Authority had on our local economy, including increased development, home values and jobs. Port Authority adds more than \$3 billion in residential property value in southwestern Pennsylvania and generates more than \$100 million in taxes for the state, county and local school districts each year.

There were some unmet needs for both our operating and capital budgets, particularly replacing our 30-year-old rail cars, and although there was some financial uncertainty with Act 89 set to expire, we had already formed a coalition and were eager to begin discussing the future of transit funding throughout Pennsylvania.

That all changed in mid-March.

Covid-19 took 80 percent of our ridership, almost overnight, and an anticipated budget surplus quickly turned into a deficit as we spent more than a million dollars a month on personal protective equipment, overtime and other measures to keep our customers and employees safe.

Congress acted swiftly with the passage of the federal CARES Act, and we are extremely grateful for the ability to draw down \$140 million. This one-time cash infusion is expected to help us get through the end of 2021, but beyond that, there are so many questions that remain.

Ridership remains down more than 50 percent. Fare revenue even more so. We don't know when our customers will return, how commuting behaviors will change or how many people who used to take transit to work or school will continue to do so remotely. We are proactively working with the business community and other stakeholders to understand their needs and deliver value added service in a post-covid world.

We don't know if funding from the Pennsylvania Turnpike Commission or any of our local funding sources will come through, and as you already know, more than 60 percent of our budget comes from the state, which is currently experiencing its own budget shortfall.

The CARES Act funding gets us through the next fiscal year, but it's a stopgap. It does not and should not replace the need for a reliable, growing and predictable funding solution.

Finding a solution was important in February, when mass transit meant hopping on a bus to go to work, taking the T to a Pirates game or riding the incline to watch those fireworks we love so much.

It's even more important today so essential workers can continue to work at hospitals and grocery stores, so our older neighbors can pick up prescriptions and run errands, for the single mom who needs to take her kids to childcare and for everyone else who truly has no other option.

We in Allegheny County know all too well what happens when there isn't enough money for public transit. Residents still ask for their service that was eliminated a decade ago to be restored.

Operating on a shoestring budget isn't the answer, either. Public transit is only effective when it's frequent and reliable.

Public transit is not replaceable. It is a lifeline for so many throughout our Commonwealth, and it needs to be funded appropriately.

Chairman Hennessey, the people of Allegheny County want us to continue providing and improving our service so it remains accessible, reliable, flexible and affordable. I implore you and your colleagues to continue the work you've already begun to ensure we can deliver what our riders and everyone throughout Pennsylvania so desperately needs.

Thank you for affording me some of your time today.