

**PA Public Transportation Association (PPTA) Testimony
Robert J. Fiume, Chairman
House Transportation Committee:
Public Hearing on Transportation Task Force Bills
August 19, 2020**

Good morning. My name is Bob Fiume, and I am the Executive Director of the County of Lackawanna Transit Authority, or COLTS, based in Scranton. I also serve as the Chairman of the Pennsylvania Public Transportation Association, more commonly known as PPTA.

As I begin my testimony, I would like to thank Chairman Hennessey and Chairman Carroll for your leadership on multimodal transportation issues. I would also like to commend Representative Martina White and members of the Task Force for their work to address sustainable mobility options for the Commonwealth. PPTA looks forward to being a partner and a resource as part of the path forward.

The mission of PPTA is to be the foremost advocate for public transportation in Pennsylvania, and to support members in achieving their mission of keeping the Commonwealth moving. Accordingly, I appreciate the opportunity to testify before you today and briefly discuss sustained funding for public transportation, and the important role transit plays in ensuring Pennsylvania's continued prosperity.

More than 400 million passenger trips are provided on fixed route transit services across the Commonwealth annually. Public transportation services are provided in all 67 counties in Pennsylvania, offering a wide range of mobility options — from daily commuters in urban centers, to serving as a lifeline for those living in the most rural of communities. Public transportation may look slightly different throughout the Commonwealth, but one core principal remains the same, and that is all trips are important... Whether the trip is being provided to a senior citizen living in Forest County accessing a nutrition center or medical appointment, a working adult riding a commuter train to Philadelphia, or a college student traveling between school and work to further their education, each trip is important.

Pennsylvania has time and time again reinforced the importance of investing in public transportation through such programs as the PA Lottery for senior citizen and disability transportation, Act 44 of 2007, Act 89 of 2013, and many other programs that support the stabilization and growth of both the operating and capital funding necessary to maintain dependable, safe, and efficient public transportation services across the Commonwealth. Without continued investment at the state level to support public transportation, the mobility, and quality of life, in every county would suffer.

Public transportation is vital in rural counties to help people access jobs, medical appointments and educational opportunities...

It is vital for seniors to maintain their independence and be able to age in place...

And it is vital for persons with disabilities to be able to fully integrate and contribute to communities.

PPTA has developed funding principals that represent the basic principles for all transit providers whether urban, rural or demand response. These principals are included as an attachment to my testimony.

To provide a high-level summary, PPTA Funding Principals include:

- Securing Act 44 public transportation programs, including the Public Transportation Trust Fund. The Trust Fund should be distributed directly to recipients based on funding formulas previously used under Act 26 and Act 3, updated to reflect the current performance measures for each system.
- Support for the findings and recommendations of the Pennsylvania Transportation Advisory Committee's 2019 report, "Risks to Transportation Funding in Pennsylvania". This report identified an additional \$1.2 Billion in funding needed for transit agencies to address state of good repair needs and grow to respond to economic development in communities throughout the Commonwealth.

The funding principals and strategies of Act 89 of 2013 afforded many communities the ability to enhance mobility options, build infrastructure, and deliver a wide variety of transit trips. It is imperative that the General Assembly take action to ensure the continuation of the funding principals established in Act 89. PPTA supports recommendations to begin the gradual transition of Pennsylvania Turnpike Commission obligations to the General Fund in advance of the July 1, 2022 deadline in order to establish a sustainable, secure, and growing state transportation investment strategy.

As we look to the future, it is imperative for public transportation to remain viable in all communities- metropolitan, urban, and rural alike. Sustained investment will ensure transit systems can continue to meet demands to access healthcare, basic human services, employment, and educational opportunities. In urban and suburban communities, for example, transit must keep up with the demands of a changing workforce, collaborate with major employers, and address the need for more frequent service — all of which point to transit's role as a partner in the growth and continued vitality of the communities we serve. We are also mindful of transit's important role in rural communities, and providing access to healthcare, one example of which reminds us that the continued consolidation of health care and closure of facilities in rural areas requires an ongoing need for transportation, yet also results in longer distance trips.

Transit's Response to COVID-19

The challenges presented by the COVID-19 pandemic over the last five months have provided an opportunity for transit to become increasingly resilient and reaffirm our commitment to serving Pennsylvania safely. While much of the focus now across the Commonwealth is on "reopening," I would be remiss if didn't pause and note one important detail: **transit never closed...**

Public transit providers across Pennsylvania were steadfast in our responsibilities as an essential service. We understood and embraced our role in keeping people and communities safe, while continuing to provide lifeline services throughout the height of the pandemic to ensure people could continue to travel to their jobs, receive medical treatment, and access food and other key necessities.

We have been adaptive, collaborative and responsive — doing all that we can to be a good steward and partner during these unprecedented times. We have changed and enhanced many operational practices over the past five months, including cleaning protocols, the use of personal protective equipment, enhanced use of technology, social distancing, and other operational modifications to ensure the continued safety of our employees, our customers, and the communities we serve.

By the end of April, we were experiencing substantial impacts to our levels of service and ridership numbers, ranging from a forty percent drop in ridership along fixed routes, to as much of a ninety-seven percent loss of ridership in State College, given the university's closure. In a state as diverse as Pennsylvania, our numbers are still extremely varied, but as of June 30, service in many agencies was restored to levels more in line with service on the street prior to the virus, ranging anywhere from 40-45% of "regular" service, to much closer to a 100% service-level restoration for many systems. We are now transitioning from what had been primarily a focus on essential trips — work, access to food, and other life-sustaining and medically necessary trips, to a more inclusive and normal scope of service.

On Friday, March 27, 2020, the "Coronavirus Aid, Relief, and Economic Security Act," or CARES Act, was signed into law. The CARES Act provided emergency federal appropriations to help the nation's public transportation systems prevent, prepare for, and respond to COVID-19.

What has Federal CARES Act money been able to provide for during the pandemic?

The overwhelming majority of this infusion of federal funds has been used to address increased operating expenses in response to COVID-19.

Important, albeit consumable items that resulted in the industry expending significant resources to do many things, including the following:

PPE, safety and cleaning supplies for extra cleaning and sanitization	Overtime costs for heightened cleaning and disinfecting	Remote software so more individuals could work off site
Covering increased costs for cleaning/disinfectant products	Fortifying work and public spaces to become pandemic resistant (Driver barriers and office workspace walls are two examples.)	Additional training for drivers Staffing Salaries Employee benefits
Additional sanitizing of buses and facilities	Hiring additional positions for cleaning	Covering employee portion of medical insurance co-pays while some were temporarily furloughed
Stocking up on PPE Preparing for sustained PPE needs for the rest of the summer and fall	Contactless fare collection system Modifications to commonly used areas	Ensuring subcontractors could remain whole in order to stay in business, and continue to pay their employees

What the CARES Act Does Not Do:

While the support received from the CARES Act has been timely and crucial, it is by no means a “miracle solution.” It does not “fix” or completely fund public transit. It does not provide sustainable solutions to the challenges brought on by the pandemic, nor does it offer comprehensive, longer-term funding for the continued provision of public transportation. It was, and is, intended to offer a stop-gap measure to ensure the continued safety of the traveling public and to help mitigate adverse economic consequences in the short-term. This funding has allowed some transit agencies to minimize some of the impacts resulting from decreases in revenue due to the temporary waiving of farebox revenues as a means of minimizing contact and ultimately, the potential spread of the pandemic.

It is also important to note there are public transportation providers who received no support or relief from CARES Act funding. So while CARES Act funding was a lifeline, immediately helpful for some, and absolutely appreciated, it does not exhaustively address the ongoing challenges and mounting expenses associated with the continuation of the pandemic, nor the need for a longer-term, sustained source of funding multimodal mobility options as part of our nation’s and our state’s transportation infrastructure network.

This bears mentioning, because transit plays an important role as a partner in the nation's, and the Commonwealth's economy, and ultimately, the economic recovery from this pandemic. And as our state's economy moves toward this next phase, transit stands ready to do our part.

We will continue to work with businesses and major employers in local communities as together, we transition back to some level of normalcy. Within our industry, we will continue to examine our operations, adapting processes, routes, and resources when necessary to ensure critical needs continue to be met. We will continue working on operational considerations and other factors that must be different in our life post COVID-19 as we navigate transitions. And finally, we will stay in close communication with our funding partners and the communities we collectively serve.

Banding together in times of adversity is not new to our industry. Transit has substantial experience coming together to do what is needed in challenging times.

Looking back to the spring and carrying through the summer, **transit never closed...**

Looking ahead, we recognize it is important to take the experiences and lessons of the past 5 months and be prepared to put them into practice for the benefit of the Commonwealth.

To conclude today's testimony, I would like to reinforce the importance of robust state investment in public transportation as this body continues working to proactively address funding challenges along with sustainable mobility options. A coordinated, efficient transit network is vital to ensuring mobility and quality of life in both urban and rural communities across Pennsylvania. The delivery of programs provided for within Act 89, the PA Lottery service for senior citizens and persons with disabilities, and medical transportation, all depend on continued investment in transit at the state level and the ability to continue leveraging federal funding opportunities.

On behalf of PPTA's 300 member entities, and the transit riders who take the more than 400 million passenger trips we provide annually, we thank you for the opportunity to provide testimony as part of today's hearing. Our association and PPTA's Board of Directors stand ready to assist this body with the development of scenarios, legislative efforts, and the advocacy necessary to address long-term, sustainable transit funding and the continued provision of multimodal transportation and mobility options.

Thank you.



PPTA FUNDING PRINCIPLES

The transit systems represented by the Pennsylvania Public Transportation Association (PPTA) are dedicated to delivering safe, reliable, sustainable, accessible and customer-focused public transit services. Each day, public transportation provides over one million rides to people throughout all of Pennsylvania's 67 counties. Together, these trips contribute to mobility, economic vitality, sustainability and an enhanced quality of life throughout the Commonwealth.

Act 89 of 2013 has provided stable and reliable funding to ensure that Pennsylvania's public transportation systems can provide critical mobility to the citizens across the Commonwealth. Emerging funding uncertainty puts these successes at risk, and the Pennsylvania Public Transportation Association recommends the following principles as the basis for a funding solution.

The Pennsylvania Public Transportation Association supports:

1. Continuation of funding provided under the Public Transportation Assistance Fund (PTAF). Operating funds for all systems should be distributed based on formulas established in Act 89 and continue to be protected with the hold harmless provisions.
2. Securing Act 44 public transportation programs, including the Public Transportation Trust Fund. The Trust fund should be distributed directly to recipients based on funding formula previously used under Act 26 and Act 3, updated to reflect the current performance measures for each system.
3. Independent and legislative recommendations to accelerate transition of Pennsylvania Turnpike Commission (PTC) obligations by replacing the PTC annual \$450M payment to PennDOT with Motor Vehicle Sales and Use Tax (MVUST) revenues in advance of the July 1, 2022 deadline, as mandated under Act 44/Act 89. The immediate transition would establish a sustainable state transportation investment stream and provide needed relief to the PTC resulting in quicker toll rate stabilization.
4. The findings and recommendations of the Pennsylvania Transportation Advisory Committee's 2019 report, the "Risks to Transportation Funding in Pennsylvania". The Committee's report identified an additional \$1.2 Billion funding need for public transit agencies to address state of good repair needs and grow to respond to economic development in communities throughout the Commonwealth.
5. Legislative changes that would provide communities with the ability to enact local revenue generating streams to help fund state of good repair projects and/or service expansion projects, including "spike" projects, to meet a region's mobility needs. "Spike" funding for projects should be bondable and not replace current funding sources for public transit capital or operating needs.
6. The American Public Transportation Association's Guiding Principles for Reauthorization, which calls for a six year reauthorization of federal Surface Transportation Authorization at funding levels above the current Fixing America's Surface Transportation Act (FAST Act).

APPENDIX TO PPTA FUNDING PRINCIPLES

Demonstration Projects

- PennDOT should give consideration every 2 years for new service, where demonstrated need exists, and allocate an appropriate percentage of growth in funding to create a financial base for those projects.

New Capital

- The PennDOT discretionary capital set aside should be capped at five (5) percent with the remaining capital funding distributed directly to public transit systems via established formulas.
- Asset Maintenance funding should be provided using Act 26 and Act 3 as a guide for their distribution, expenditure and carry over.
- Transit agencies should be granted greater flexibility in the use of capital funding for an expanded list of asset maintenance activities.
- Systems, at their local discretion, should have the option to participate in statewide initiatives.

Medical Assistance Transportation Program (MATP) Revenue Replacement Fund

- In the event that the Department of Human Services implements a Full Risk Brokerage Model, a MATP Revenue Replacement Fund should be established to ensure that revenue lost and expenses incurred as a result of implementing the new model does not jeopardize systems' ability to serve their communities. The new Fund would initially distribute up to \$61M to systems demonstrating lost revenue and increased expenses directly attributable to the change of the current MATP model.

System Performance Criteria

- Each system's performance should be measured against its own historical productivity. Differences in demographics and geography make it nearly impossible to perform objective and accurate interagency analyses.
- All funding should remain subject solely to the Performance Reviews and Criteria set forth in § 1513 (E) and (F) of Act 44.