



September 12, 2023

Legislative and Community Affairs
Pennsylvania House of Representatives
127 Irvis Office Building
PO Box 202174
Harrisburg, PA 17120-2174

Re: House Transportation Committee Hearing

Committee Members,

Good afternoon, and thank you for the opportunity to appear before your committee today. We are very pleased to be a part of this process, not only because we welcome the chance to add our voice to the conversation, but also because it is welcoming to have our House transportation committee asking for this kind of input from Pennsylvania's transit providers.

My name is David Rishel, and I am here today as the Executive Director and CEO of the Centre Area Transportation Authority (CATA) serving the Borough of State College and the Townships of Patton, Ferguson, College, and Harris, along with Penn State University, operating their campus services under a contractual arrangement. We also provide limited service to the Borough of Bellefonte and the Townships of Spring and Benner, all in Centre County. CATA is a multi-modal transit Authority, serving a population of about 100,000 permanent and temporary residents. We operate a fixed route system that provided 4,389,826 trips over 2,030,992 revenue miles last year using a fleet of 80 buses, all powered by CNG. We also provided 22,584 paratransit (CATARide) and 69,066 microtransit (CATAGO) trips in the region, as well as 50,642 trips through our CATA Commute vanpool service. With an overall budget of 25,793,558, we cover 29.6% of our overall operating costs with fares, contracted revenues, and local financial support. Though we are very proud of our performance as one of the most efficient small transit systems in the United States, we are unfortunately facing a budget deficit in fiscal year 2024 of \$1.8 million, and we face a potential fiscal cliff in the next two to three years.

Public transportation in the Commonwealth and across the Nation is at a very interesting crossroads. Even before the massive disruption of the COVID 19 epidemic, transit was experiencing a marked shift in passenger behavior, particularly with demand-responsive transportation programs like paratransit. The advent of Transportation Networking Companies (TNC's) like Uber and Lyft introduced a new mobility paradigm for the riding public. Though initially, TNC's seemed like taxis, both the ease of booking and the feel of the riding experience in a TNC has rewired how people think about for-hire mobility. Our full understanding of how TNC's are impacting America will be debated for years, but they have conditioned people to expect access to mobility through a smartphone and for that mobility to be responsive, flexible, and of high quality. Even when transit can offer a much less expensive alternative, people increasingly opt to pay more because of the convenience of these services. Competing with this phenomenon is a challenge for public transit.

Our legislature and PennDOT have wisely chosen to invest in a common suite of technologies that are giving Pennsylvania residents some real-time access to transit information and transit planning for both fixed route and paratransit services, but this introduces a new set of costs to the state and to our operations. CATA piloted much of this technology over the past decade, and while it is appreciated by customers, we face continued demands and expectations for more, all of which costs money.

Likewise, the Legislature's support of transit's Capital needs over the past decade has been transformative to public transit in the Commonwealth. Not long ago, we at CATA were struggling to maintain a fleet of buses that we could not replace as fast as they were wearing out. With PennDOT's support, we have been able to invest in a 100% CNG-fueled bus fleet (and fueling station) that is meeting the needs of our passengers with lower fuel costs and significantly lower emissions. CATA is very grateful this assistance.

As we look to the future, there are a daunting array of challenges that will require us to expand our services, increase our efficiency, and respond to customer expectations. Gone are the days when passengers could be satisfied with a couple of bus routes looping through town. To keep existing customers and attract new ones, we must design and provide services that are frequent, quick, targeted to the right destinations and are provided in modern, clean vehicles.

I say "vehicles" because the traditional 40-foot transit coach is no longer the "one size fits all" tool for local mobility. While full-size buses remain the vehicle of choice for high-density mass transit, public transportation in the Commonwealth is increasingly looking to provide smaller, customized "microtransit" services to lower-density areas where a full-sized bus is inefficient and often unwelcome. New technologies are enabling us to tailor these services to precise customer segments, but they require technology suites with smartphone interface and fleets of smaller vehicles, all of which must somehow be funded by cash-strapped transit systems.

To help the Committee identify areas that need additional funding and support, we have provided some examples below of the challenges we face at CATA and that all transit systems in Pennsylvania are struggling with:

- COVID 19 hit transit hard in ways we are still trying to understand. At CATA, our ridership is down 1.736 million trips (27%), and we are not entirely sure why. Remote work is certainly a big factor, as are losses to TNC's, but we need to further study and understand who has stopped riding and whether we can get them back. Unfortunately, these fewer riders are spread out around our system, so we have not been able to reduce our network or our operating costs for fear of losing even more riders. The net effect of these lost riders is a significant loss of fare revenue.
- Since the COVID-19 pandemic, recruitment and retention of drivers, mechanics, and staff have been an ongoing struggle. At CATA, we have not been able to recover the losses to staff we experienced during COVID, and we remain 10% below our targets. In the short term, we face the choice of cutting services or paying significant overtime to keep all our buses on the road. In the long run, with wages and costs going up across the country, it is just a matter of time before we will be forced to consider broader wage adjustments that we cannot currently afford.

- Beyond our short-term staffing challenges, transit must improve our connections with public schools, community colleges, and trade schools to recruit young people into our industry and train them to drive and repair buses. Public transit remains one of the industries where a person can earn a good living without the cost of a four-year degree. We need to leverage that fact and develop statewide programs and incentives that help us recruit young people into our industry.
- Customers expect more real-time system information and the ability to plan journeys, pay fares and even call for services using their smart phones. Programs like PennDOT's FRITS (Fixed Rote Information Technology System) system help to meet this demand, but these systems require maintenance, upgrades, training, and constant customer support, all of which are costly.
- Also, in the technology space, systems we use for internal business processes and the management of new services like Microtransit can no longer be purchased with capital funds. Companies are moving to the cloud and leasing access to this technology through "Software as a Service" arrangements, which are not eligible capital costs. These expanding costs draw further on our already overstretched operating budgets.
- As generous as PennDOT's funding support has been, our funding allocation formulae are not designed to support new areas of transit service like Microtransit and micro-mobility, such as bike sharing, local circulators, and services that feed our fixed route network. These new programs have the potential to right-size transportation options to meet specific demands, but the current funding formulas do not take these new options into account. If we want to expand into these areas, we must often give up other services to free up the funds to support these new initiatives.
- CATA has enjoyed the success of adopting Compressed Natural Gas (CNG) for our bus fleet, saving us hundreds of thousands every year. Even so, the Federal government is looking beyond alternative fuels like CNG and aggressively encouraging transit to adopt zero-emissions rollingstock in the near future. These new technologies will require different maintenance and recharging infrastructure, the vehicles themselves are more expensive, and the duty cycle of this equipment often requires a larger fleet to do the same level of service. We do not have the financial resources to undertake such a transition.
- Demand for services like paratransit continues to be strong throughout the Commonwealth, and this will accelerate as the Baby Boom ages and retires. Pennsylvania is frequently cited as a top retirement destination, and we must be ready to serve these populations, both our current residents and people who move here to enjoy their retirement.
- As we increase our dependence on technology, we are at increasing risk for cybercrime. Most small to medium-sized transit systems are ill-equipped by resource, funding, and expertise to meet these threats on level ground. We need additional resources to protect ourselves and our customer information from these increasingly aggressive cyber criminals.

We hope this information has been helpful, and we thank you again for the opportunity to speak with you today. If you would like further information about any of these topics, please give me a call.

Sincerely,

David R Rishel