

Veto No. 2004-11

HB 2664

December 8, 2004

To the Honorable, the House of Representatives
of the Commonwealth of Pennsylvania:

I am returning herewith, without my approval, House Bill 2664.

The goal of the bill to provide stop-gap funding for the Commonwealth's smaller transit agencies for the remainder of the fiscal year is laudable. However, I do not feel I can responsibly sign it into law because the bill goes beyond the bounds of just providing funding. In fact, as a result of these other provisions, it has become apparent that many of the agencies the legislation was intended to help oppose its enactment. A November 30 letter to me from the Pennsylvania Public Transportation Association states in part:

"The Pennsylvania Public Transportation Association (PPTA) supports the growth of public transportation in the Commonwealth but not at the expense of those systems currently providing services to its residents.

"House Bill 2664, as passed by the General Assembly . . . will harm existing systems. The bill calls for the reallocation of existing resources . . . in order to accommodate the inclusion of new systems. Without a provision for additional funding to accommodate new systems, existing Class 3 and 4 systems currently experiencing or soon to experience operating deficits will find worsened financial crises accelerated by the redistribution of existing resources.

* * *

"In addition, there are a number of Class 3 and 4 systems that have used existing resources for debt financing. An erosion of these existing resources may cause loan defaults if systems receive less than the current funding formula allocations.

* * *

In conclusion, HB 2664 destabilizes the financial condition of existing systems and fails to remedy their current financial crises. Although Classes 3 and 4 still have an unfunded need for the current fiscal year, the long-term implications of this bill outweigh the short-term benefits. Therefore, PPTA urges you to veto HB 2664."

Based on these concerns I do not believe I can responsibly sign this legislation into law.

However, since I received this bill, my administration has been working to find another way to keep all the state's transit providers – both the smaller Class 3 and 4 systems and the larger systems serving Pittsburgh and Philadelphia – from being forced to adopt layoffs, service cuts and fare increases to balance their budgets.

But stop-gap funding, whether in the form of House Bill 2664 or some

other form, is not the proper solution to the problems facing the Commonwealth's transit systems and those who depend upon them. The only way these problems will be solved for the long-term is through enactment of new, dependable funding streams for transit.

For the reasons set forth above, I must withhold my signature from House Bill 2664.

EDWARD G. RENDELL