

**EXECUTIVE
SUMMARY**

Pennsylvania
Public Transportation
ANNUAL PERFORMANCE REPORT

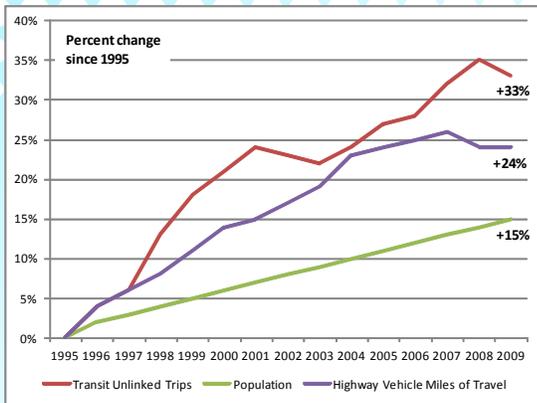
FISCAL YEAR 2010-11



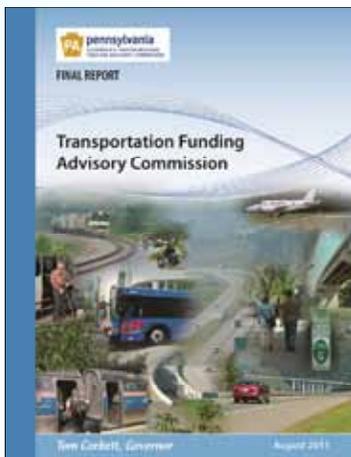
Transit Use Has Grown More Than Population or Highway Travel



April 30, 2012



Source: American Public Transportation Association



Dear Fellow Pennsylvanians:

In April 2011, Governor Corbett, by Executive Order, established the Pennsylvania Transportation Funding Advisory Commission (TFAC). I had the privilege of serving as chairman of the commission. We focused not only on documenting transportation needs and recommending a funding plan, but also on providing a blueprint to modernize our business.

The Department of Transportation is acutely aware of the need for investment in our aging transit infrastructure. Despite the infrastructure challenges, our public transportation ridership has increased as people seek affordable transportation options. As recommended by TFAC, we have continued to emphasize modernization, efficiencies, and cost containment.

In fiscal year 2010-11, PennDOT:

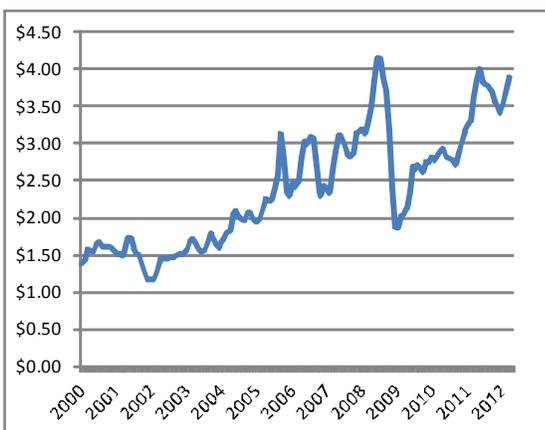
- Focused on improving efficiency through administrative/consolidation efforts.
 - Lackawanna County, Luzerne County
 - Eight south central counties
 - York/Northumberland
 - Crawford and River Valley/ Endless Mountains
- Continued assessing the performance of transit systems through a formal process.
- Required transit systems to develop and discuss five-year operation and financial plans.
- Improved Keystone Corridor stations.
- Supported alternative energy investments.

I invite you to learn more about our efforts to improve mobility options in Pennsylvania. You can find a copy of this report, the TFAC report, and other related publications on our website.

Sincerely,

Barry Schoch, P.E.
Secretary of Transportation

Fuel Prices are Volatile and Increasing



Central Atlantic (PADD 1B) All Grades All Formulations

Source: U.S. Energy Information Administration

Many current events and conditions influence transit funding, ridership, and providers' ability to meet passenger needs.

THE State OF Public Transportation IN PENNSYLVANIA

Natural Gas Industry Competes for Transit Drivers

Lucrative employment opportunities related to development of the Marcellus shale make it difficult for transit agencies to attract and retain qualified employees, particularly drivers.

An Improving Economy = An Uptick in Revenue

After three years of declining tax revenue, a strengthening economic outlook promises a slight improvement in transportation funding. However, cost growth continues to outpace revenue increases.

High Gas Prices Increase Ridership and Operating Costs

The financial incentive to use public transportation is very high as gas prices near \$4 a gallon. Diesel fuel for buses has also risen and exceeds \$4 a gallon. Volatility in the price of oil means ridership, revenue, and operating costs are difficult to forecast.

PRIIA Shifts Intercity Rail Funding Responsibility to State

Pennsylvania is required to significantly increase its funding of Amtrak under the Passenger Rail Investment and Improvement Act (PRIIA) to retain current service levels.

Alternative Fuels

- Compressed natural gas (CNG) is more cost-effective and clean-burning than diesel, and reduces long-term vehicle maintenance costs.
- In FY 2010-11, PennDOT accessed federal grants targeted to fund the purchase of CNG-fueled vehicles.
- PennDOT is ensuring that all transit system maintenance building or renovation projects meet CNG requirements and are prepared to accept future CNG equipment without major additional investment.
- Centre Area Transportation Authority (CATA) in State College has a fixed-route fleet of 60 vehicles that all run on CNG—Pennsylvania's first 100 percent CNG fleet.
- Indiana County Transit Authority (IndiGO) has used CNG since 2000. In 2010, IndiGO took advantage of significant advancements in CNG fueling machinery and upgraded its CNG compressor and engine, which will decrease maintenance costs (photo below).



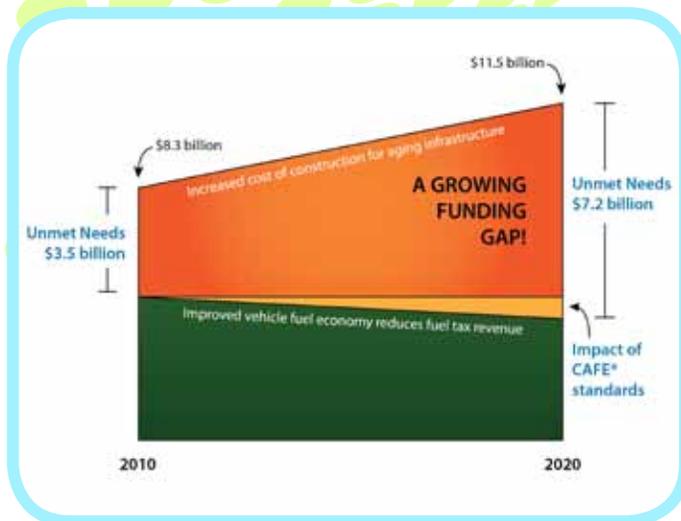
A pilot project conducted by Berks Area Regional Transportation Authority (BARTA) is validating the effectiveness of electric buses that are charged wirelessly. The project, a public-private partnership between BARTA and Momentum Dynamics, is funded in part by PennDOT and the Pennsylvania Department of Environmental Protection. BARTA is testing two electric paratransit vehicles equipped with wheelchair lifts. This is the first application of wireless charging technology at a regional transit authority.

Analysis

Public transportation is operating in a volatile market. Although new fuels and technologies are promising, funding remains an overriding issue.

The funding crisis affects all modes, not only transit. State-level initiatives call for cost containment through new approaches and modernization.

Focus ON Cost Containment



Source: Pennsylvania Transportation Funding Advisory Committee Final Report, July 2011

*CAFE – Corporate Average Fuel Efficiency, a standard that promotes the desirable goal of vehicle fuel efficiency, but results in reduced revenue for transportation, which is funded largely by fuel taxes.

TFAC Quantifies Funding Gap

Governor Tom Corbett established the Governor's Transportation Funding Advisory Commission (TFAC) in April 2011.

- The additional transit funding needed for essential operating expenses and capital improvements was estimated at \$484 million in 2010, rising to \$1,383 million in 2020, and \$3,063 in 2030.
- Costs must be contained in order to reduce this funding gap and continue to provide much-needed transit service.
- Consolidation of smaller transit systems to serve regions (both shared-ride and fixed-route service) was identified as the most promising method of containing transit costs.

Modernization is about using today's tools to best serve today's customers within today's financial realities.

Source: Pennsylvania Transportation Funding Advisory Committee Final Report, July 2011

Modernization Improves Customer Service and Reduces Costs

TFAC emphasized the role of modernization in the long-term financial viability of all modes. Modernization encompasses both administrative processes and technology.

For transit, modernization encompasses regional consolidation and other strategies to share management and administrative expenses. It also includes strategic capital improvements and technology enhancements that enable transit agencies to provide faster, safer, more reliable service that is more convenient and appealing to passengers.

PennDOT's initiatives in all these areas are highlighted on the following pages.

Analysis

With limited options for increased revenue, each agency must ensure it is performing at maximum efficiency.

PennDOT is conducting transit agency performance reviews to assist providers in identifying areas where costs could be contained and revenue increased without diminishing service—and to hold them accountable for improvements.

Emphasis ON Performance



PennDOT Works with Transit Providers to:

- Identify opportunities for improvement and best practices.
- Establish five-year performance targets.
- Develop and adopt an action plan to implement improvements and achieve five-year performance targets.
- Implement the plan and address deficiencies with technical assistance.
- Track progress through quarterly reporting.
- Review all providers on a five-year cycle.

Seven Performance Reviews Were Conducted in FY 2010-11

Reports issued:

- County of Lackawanna Transit System (COLTS)
- Luzerne County Transportation Authority (LCTA)
- Monroe County Transportation Authority (MCTA)

Reports pending:

- Endless Mountains Transportation Authority (EMTA)
- Beaver County Transit Authority (BCTA)
- Venango County Transportation Office (VCTO)
- Mid-County Transit

Sound Business Practices Promoted through Performance Reviews

- **Foundation for success** – An organizational strategic plan created by the agency's Management/Board identifying its mission, defining organizational success, and establishing a plan to achieve its goals. Key planning and reporting components include:
 - Regular route/system analysis for rebalancing service levels and planning (see sidebar).
 - Multi-year financial plans—operating and capital—to plan within available resources.
 - A formal policy to periodically review fares and maintain a reasonable relationship with inflation.
 - Important data/trend reporting to the Board for information, discussion, and evaluation against the organization's mission and strategic plan goals.
- **Professional management practices, including:**
 - Review options to reduce cost to the agency.
 - Standardized vehicle fleets to reduce training requirements and enable bulk purchasing to lower costs.
 - Regular assessment of performance through setting standards and measuring performance.
 - Cost/benefit analysis of current practices and proposed changes.
- **Proactive outreach/public information, such as:**
 - Implementing Google Transit to enable passengers to plan trips online.
 - Utilizing tools such as Route Shout to facilitate real-time route information via text messaging.
 - Targeting outreach to colleges, retirement communities, etc. to promote awareness and familiarize prospective riders with how to make their trip by transit.



Red Rose Transit Authority (Lancaster) collects monthly operating statistics by route. Each route is scored according to four performance factors. The chart above is a management tool depicting each route's total score, providing a visual indicator of performance.

Red Rose also collects a one-week sample of every trip (each run) on each route to identify underperforming trip times and make necessary adjustments to service.

Analysis

Performance reviews give transit agencies the objective analysis and assistance to systematically make improvements.

Individual agency performance improvements are one of the necessary steps to sustain public transportation service in Pennsylvania.

With costs increasing more rapidly than revenue, improvements in individual transit agency performance may not be enough to sustain service. Regional consolidation of both fixed-route public transportation and human services transportation has the potential to significantly reduce redundancies, take advantage of economies of scale, and reduce overhead costs.

Advancing Regional Consolidation

Why Pursue Consolidation?

- Consolidation is a realistic way to maintain or improve service while reducing costs.
- Not exploring consolidation leaves Pennsylvania's transit providers on a path of continued service cuts, deterioration, unsustainable financial conditions, and impending crisis.

Several Regions are Exploring or Implementing Consolidation

- **Luzerne County** and **Lackawanna County** examined regional consolidation of transit providers through a PennDOT-funded study.
 - Both Lackawanna and Luzerne have completed the consolidation of county shared-ride organizations with the major transit authority—COLTS (Scranton) in Lackawanna County and LCTA (Wilkes-Barre) in Luzerne County.
 - Productive discussions are under way with the City of Hazleton regarding a future merger with LCTA.
- Eight counties in south central Pennsylvania—**Adams, Berks, Cumberland, Dauphin, Lancaster, Lebanon, Perry, and York**—adopted resolutions to support a transit consolidation study. Preliminary findings will be released in September 2012.
- A task force in **North Central** Pennsylvania is working to secure local commitment to a future consolidation feasibility study.
- The City of Washington and **Mid Mon Valley Transit Authority** awarded ADA-compliant paratransit service contracts (effective July 2012) to **Washington County Transit Authority**, the organization that provides human service transportation in Washington County. This will significantly reduce the cost of ADA service for both transit systems.

Regional Consolidation of Transit Providers

- **Is feasible.**
Costs and challenges can be identified and addressed.
- **Saves significant money.**
Overhead is reduced, use of existing assets is maximized, and economies of scale can be realized.
- **Improves financial performance.**
Cost reductions may be substantial, enabling transit systems to maintain existing services even though government assistance may not keep pace with inflation.
- **Maintains or improves existing service**
An integrated regional transit system can facilitate longer and more complex travel patterns.
- **Need not interfere with employee agreements.**
Jobs, wages, benefits, and other existing terms can remain in place. Changes, which primarily affect the consolidation of administrative functions, are implemented over time through normal attrition.
- **Can be accomplished relatively quickly.**
Total physical organizational change can typically be achieved within a few years.
- **Has a rapid payback period.**
Transition costs can be recouped within a few years.
- **Maintains local public sector decision-making.**
System governance remains a local responsibility, and typically integrates missions across agencies and localities.



Analysis

Consolidation can achieve savings without sacrificing service or jobs.

In fact, conditions are far more likely to worsen under “business as usual” than if consolidation is studied and pursued systematically.

Consolidation maximizes management savings, but there are additional ways to achieve efficiencies even for those transit agencies for whom consolidation is not yet feasible.

Sharpening Management Methods

Brokering Service

- Brokering across multiple counties—consolidating the administrative and maintenance functions—can produce significant benefits.
- In 2010, Clarion County eliminated transportation as a county-provided service. PennDOT provided technical assistance to competitively select a broker to provide human service transportation (HST). The broker began administering Clarion's HST on April 1, 2011. PennDOT is working with Clarion County to evaluate the results of this change.

Five-Year Transit Planning

In October 2011, PennDOT's Bureau of Public Transportation asked all transit systems to prepare and present five-year operating and capital plans. These plans include:

- Current financial position.
- Efforts to control costs.
- High growth expense categories.
- Trend analysis.

Benefits include:

- Valuable dialogue between each transit system and Bureau staff.
- Emphasis on multi-year planning to support planned, phased-in adjustments to fares and service, rather than emergency measures involving sudden, major service cuts or fare increases.
- Data with other uses. For example, during a recent Federal Transit Administration (FTA) triennial review of River Valley Transit (RVT) in Williamsport, FTA requested a three- to five-year operating and capital plan. RVT was able to use the plan developed for PennDOT, saving RVT staff time and enabling them to comply with FTA's request in a timely manner.



Peer Assistance

- In June 2011, **Northumberland County** announced its decision to discontinue county-operated shared-ride transportation service, effective June 30, 2011. This is a lifeline service on which elderly and low income persons depend to access medical facilities and other basic necessities. PennDOT asked York County Transportation Authority—**rabbittransit**—to operate the service on behalf of Northumberland County. With only a few weeks to prepare, rabbittransit quickly stepped in and ensured continued transportation for the residents of Northumberland County.
- In fall 2011, the Board chairperson of **Endless Mountains Transportation Authority (EMTA)**, which serves Bradford, Sullivan, and Tioga counties, advised PennDOT that without immediate financial and management assistance, it would be forced to discontinue major portions of fixed-route and shared-ride services. However, vital services have continued without interruption because:
 - River Valley Transit staff from the City of Williamsport assisted EMTA in addressing management and fixed-route issues.
 - The Crawford Area Transportation Authority addressed problems with EMTA's shared-ride service.

Management Training

- PennTrain – Nine training sessions were conducted, providing a total of 130 participants with management training.
- Transit Executive Training – Three classes were conducted with 90 executives trained.
- TransitSCORE and the Professional Supervisor Program (PSP) – PennDOT received a grant to update and make available online the training components for these two award-winning programs.

Analysis

All transit agencies, whether exploring consolidation or not, must continually enhance their management and administrative practices to remain viable.

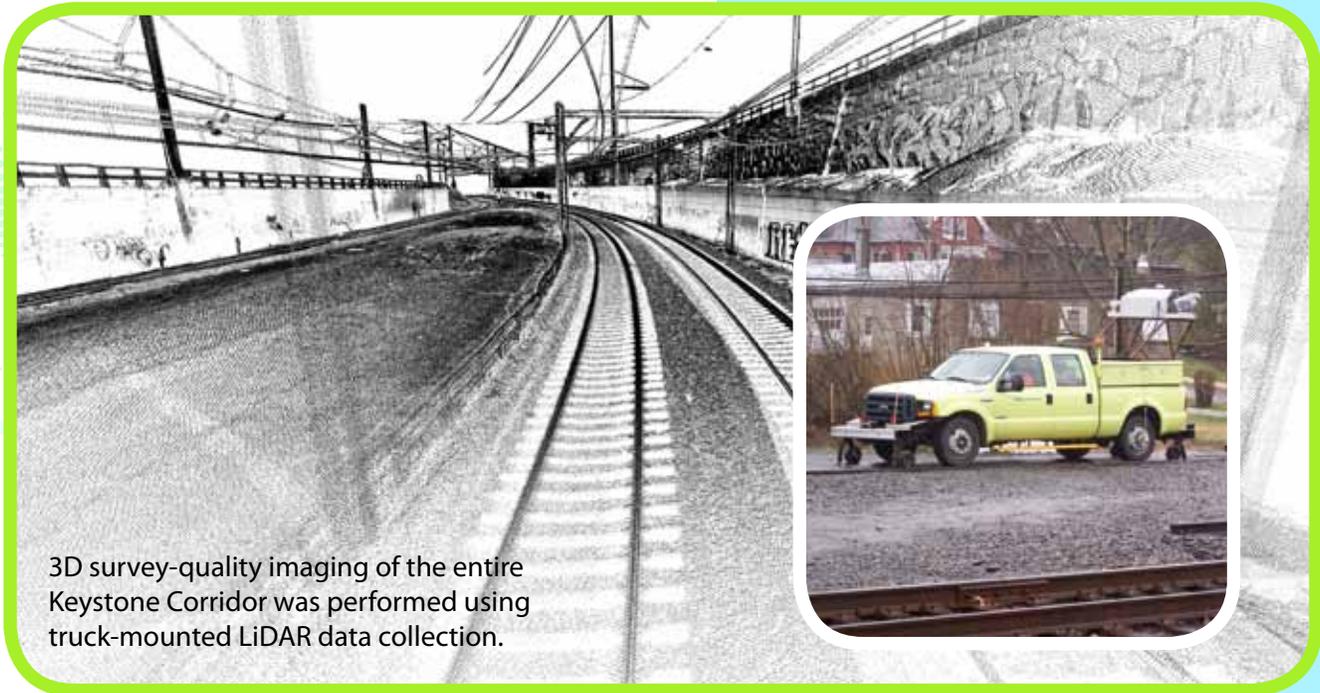
PennDOT is supporting investments in carefully-selected, realistic technology to help reduce overhead while enhancing customer service.

Strategic Technology Investments

HST Software Enhances Customer Experience and Trip Productivity

- PennDOT has purchased Ecolane shared-ride scheduling software to improve customer service and the management and efficiency of curb to curb, demand-response transportation service for 53 providers across Pennsylvania. Collective procurement, licensing, and maintenance saves millions of dollars. Standardization of software is expected to enhance productivity, with more trips per hour and lower trip costs.
- In the first phase, two systems—York and Suburban Transit (Montgomery County)—will participate in a pilot implementation with a target of summer 2012. If pilots are completed successfully, software will be deployed throughout the state.





3D survey-quality imaging of the entire Keystone Corridor was performed using truck-mounted LiDAR data collection.

LiDAR Data Collection Saves Time and Money for Corridor Improvement Projects

PennDOT partnered with Amtrak to perform mobile LiDAR (Light Detection And Ranging) data collection and processing along the 105-mile-long Keystone Corridor to support critical infrastructure improvements. More than 220 linear miles of high-density LiDAR data was captured from specially-equipped vehicles traveling on different rails in opposing directions—without impacting normal rail service—to gain 3D survey-quality imaging of the entire corridor.

To date, seven engineering design projects conducted by PennDOT have used the LiDAR data, saving PennDOT significant time and resources by avoiding individual surveying efforts for each project.

Analysis

Implementing appropriate technology can improve service while increasing productivity.

It can also facilitate data collection, which improves analysis and planning.

Strategic improvements to modernize infrastructure and at-grade crossings of the Amtrak Keystone Corridor between Philadelphia and Harrisburg are aimed at increasing safety, speed, accessibility, and ridership.

Keystone Corridor Improvements

Improving Accessibility

- ADA-compliant station design makes train travel accessible for those with limited mobility, and more convenient and safer for all travelers. Improvements undertaken at many stations include modern platforms that are level with train doors, and improved elevators.



Enhancing Safety and Speed

- Upgrading or closing at-grade crossings where trains could collide with cars, trucks, buggies, and pedestrians greatly improves safety. It also enables trains to maintain higher speeds—up to 125 mph—along more of their route. This construction season the last three at-grade crossings, all in Lancaster County where train/buggy conflicts are a particular risk, will be eliminated.
- Completion of \$145 million in track and rail bed improvements has improved train speeds and reliability.
- Trains were fully re-electrified to provide reliable service between Harrisburg, Philadelphia, and New York City. Ridership increased 20 percent between 2007 and 2009.
- Station and parking lot lighting deters crime and reduces pedestrian and vehicle accidents, while also making stations more inviting at night. Lighting improvements have been undertaken as part of station renovations.

Transforming the Passenger Experience

Investments that make it more convenient and pleasant to take the train have produced significant increases in ridership. These include:

- Wireless Internet service on all Keystone trains.
- e-ticketing for all Keystone trains.
- Electronic seat reservations for Pennsylvanian trains.
- Excursion trains with coordinated connections to subway, bus, and taxi services to special events.
- Intuitive intermodal signs at Philadelphia's 30th Street Station.

Highlights of Station Improvements

- Upgrades and accessibility improvements at Elizabethtown—achieving one of the highest ridership rates on the entire Amtrak system.
- Plans completed for Mt. Joy station improvements.
- Land acquired for new stations in Middletown and Coatesville.
- Accessibility and intermodal connections at Exton.
- Station upgrade planning in Parkesburg and Downingtown.
- New Ardmore station expedited through partnership among PennDOT, Lower Merion Township, SEPTA, and Amtrak.

Overall ridership on Amtrak's Keystone service is up 4 percent this year, breaking ridership records at nearly 1.5 million annual riders.

At the Coatesville, Downingtown, and Exton stations, ridership increased nearly 20 percent during the 2011/2012 winter months.

Analysis

Keystone Corridor improvements make the service a more viable and appealing alternative to driving in this congested corridor—and improvements make financial sense.

Awards AND Recognition



**Dennis Louwerse, Executive Director/CEO
Berks Area Regional Transportation Authority (BARTA)**

2011 Pennsylvania Public Transportation Association Lifetime Achievement Award

Mr. Louwerse was honored for his innovation, dedication, and commitment to public transportation over his 28-year career, including more than 25 years with BARTA. He has been highly effective in building coalitions and achieving legislative and industry goals. Recent achievements include bringing together highway and transit representatives and legislators to advance critical funding initiatives, negotiating a \$24.1 million grant to procure 102 buses in a pool-purchase arrangement, leadership and vision in Reading's Penn Square Project to improve traffic flow, support of regional transit coordination, and spearheading groundbreaking alternative fuel projects.



**David Kilmer, Executive Director
Red Rose Transit Authority (RRTA)**

2011 Pennsylvania Public Transportation Association Public Transportation Manager of the Year

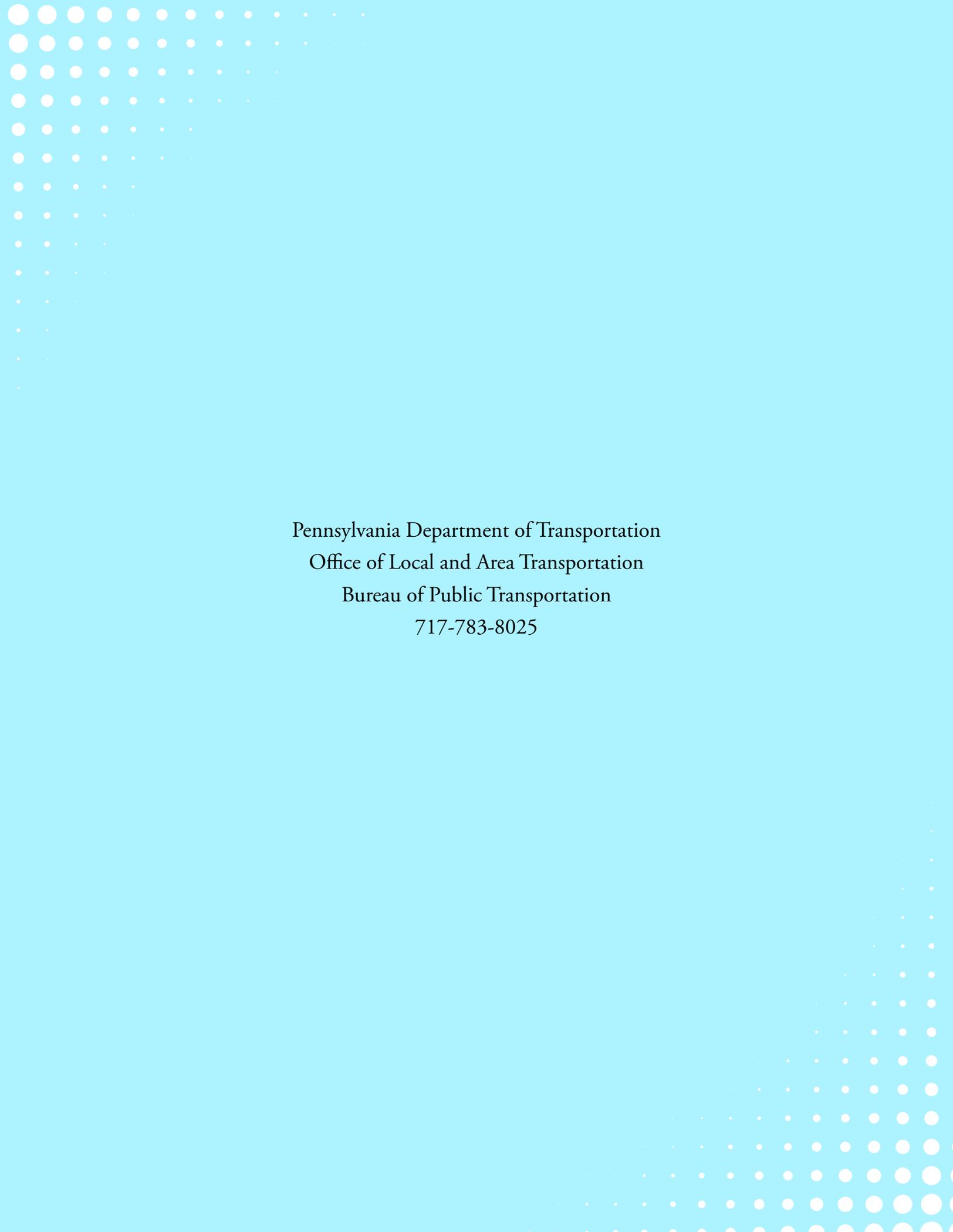
PPTA recognized Mr. Kilmer's 32 years of service to public transportation, most recently serving as RRTA director since 2006. One of his most noteworthy accomplishments was visionary leadership in RRTA's total renovation of its Lancaster Operations Center. The facility, which opened in 2010, incorporates state-of-the-art "green" technologies that significantly reduce the transit authority's annual operating costs, energy consumption and emissions of global greenhouse gases. He has also been instrumental in development of Queen Street Station, RRTA's downtown transit center. It opened in 2011 and includes commercial and retail space and a parking garage, which help offset RRTA's operating costs.



SEPTA Achieves TSA ‘Gold Standard’ Rating for Security

In March 2012, the Transportation Security Administration (TSA) recognized the Southeastern Pennsylvania Transportation Authority (SEPTA) as one of 17 rail and mass transit agencies from across the nation that earned TSA’s highest rating of “Gold Standard” on the agency’s most recent Baseline Assessment for Security Enhancement (BASE) for their dedication to building a strong security program.

The BASE program is designed to establish a security standard for individual system security programs and assess progress. This voluntary comprehensive review of transit agency security programs focuses on multiple categories identified by the transit community as fundamentals for a sound transit security program. They include a review of topics such as an agency’s security plans, security training, drills/exercise programs, public outreach efforts, and background check programs.



Pennsylvania Department of Transportation
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