Introduction
In Pennsylvania, Regional Transportation Authorities (RTAs) plan, develop and coordinate the regional transportation system within the geographic area it is legislated to serve. RTAs have the power to acquire, construct, operate or lease any part of the public transportation system under their domain. RTAs can apply to the state and federal government for funding operations and capital expenditures, and they collect passenger revenue. RTAs have a board of directors and the members are identified in the enabling legislation.

Background
Northeast Pennsylvania includes three public transportation (busing) organizations, an airport board and two rail authorities, a rail corporation, and a metropolitan planning organization.

In Lackawanna County, the County of Lackawanna Transit System (COLTS) provides county-wide bus services, shuttle services, and paratransit services. COLTS was formed and certified as a municipal authority in 1972 under the Municipal Authorities Act of 1945. COLTS replaced the Scranton Transit Company, which had provided electric trolley service and bus service since 1954. COLTS operates under a board of directors that establishes policies and guidelines. Board members are appointed by the County Commissioners to serve five-year terms.

On June 23, 1972, local bus service in Luzerne County came to a halt in the wake of Hurricane Agnes floods. Within two (2) years the bus system was reconstituted under public sponsorship to become a model for bus systems nationwide. The transition from flood-emergency to normal transit service was due to the culmination of a Demonstration Project funded by the following agencies:

- Urban Mass Transportation Administration (UMTA)
- Pennsylvania Department of Transportation (PennDOT)
- City Demonstration Agency of Wilkes-Barre (CDA)
- Federal Disaster Assistance Administration (FDAA)
- Economic Development Administration (EDA)

The most unusual aspect was the provision of free bus service for a 101-day period following the devastating flood. This action, taken by the FDAA to relieve traffic congestion and to provide mobility for people housed in temporary mobile home parks, represented the first time in United States history when a free bus system operated for a sustained period throughout an urbanized area.
The Luzerne County Transportation Authority (LCTA) was established by the Board of Commissioners in order to administer this Demonstration Project, and to sustain transit beyond the Demonstration period. The LCTA, in turn, made arrangements with the area’s two private transit operators, White Transit Company and Wilkes-Barre Transit Corporation, to continue operations under purchase-of-service agreements.

Today, in Luzerne County, the LCTA services forty-six (46) municipalities that include three cities (Wilkes-Barre, Nanticoke and Pittston). The LCTA consolidated services with the Luzerne/Wyoming County Transportation Department (LWCTD) on January 01, 2012, providing shared-ride service. The LCTA is divided into two divisions:

**Fixed Route**

- Service provided on a repetitive, fixed-schedule basis along a specific route with vehicles stopping to pick up and deliver passengers to specific locations

**Shared Ride**

- Non-fixed route service utilizing vans with passengers boarding and alighting at prearranged times at any location within the system’s service area.

Like COLTS, LCTA continues to be a Municipal Authority and operates under a similar governance structure. There are nine (9) Board members. Board members will be appointed by the newly formed Luzerne County Council.

COLTS and LCTA presently share bi-county bus routes. The LCTA is working with PennDOT for a possible with Hazleton Public Transit. Additionally, LCTA is studying the feasibility of building a compressed natural gas (CNG) fueling station.

Hazleton Public Transit (HPT) is part of the City of Hazleton’s Department of Public Services. The system provides bus service in Hazleton and nine adjacent communities.ii

The Wilkes-Barre Scranton International Airport (AVP) is governed by an airport board consisting of the three Lackawanna County Commissioners and two members of the Luzerne County Council and the Luzerne County Manager. The airport has a full-time staff that operates the facility and also owns an adjacent business park. iii

The Pennsylvania Northeast Regional Railroad Authority (PNRRA) is the result of a merger between the former Monroe County Railroad Authority and the Lackawanna County Railroad Authority. PNRRA’s rail system stretches from Carbondale to Scranton and from Scranton to the Delaware Water Gap. The rail line includes both passenger and freight services. The rail authority owns the property and the rail assets and contracts with railroad companies to operate the rail.iv

Rail service in Luzerne County is provided by the Luzerne County Rail Corporation (LCRC). The LCRC was assigned operating rights by the Luzerne County Redevelopment Authority (LCRA) in 1994. Incorporating the LCRC was done to shield the redevelopment authority from any liability in case of an accident or other type of incident. The LCRA owns the assets (trackage and the Right-Of-Way), and the LCRC solicits and selects the rail operator.

The Lackawanna/Luzerne Metropolitan Planning Organization (MPO), in conjunction with PENNDOT District 4-0 and Central Offices, decides which transportation projects receive federal funding in Lackawanna and Luzerne Counties. The MPO membership includes representatives from transit, rail, and aviation who work together to provide a safe and efficient transportation network for the 2-county region.
Issues

COLTS and LCTA are in the process of evaluating potential bi-county bus routes. This move toward regional transportation planning is a step in the right direction. With multiple organizations and boards of directors, the current system is fragmented. Such fragmentation results in limited or no coordination among service providers, which prohibits the development of a convenient and connected transportation system. A fragmented system is also a weak competitor for scarce transportation funding. Many of Pennsylvania’s other larger and regional transportation systems are more competitive for funding - both at the state and federal levels.

Additionally, with so many organizations providing complementary and connected services, overhead costs are high. Facilities and staff could, to some degree, consolidate and/or deploy into underserved areas. Regional systems can also benefit from economies of scale in purchases of capital equipment. In a time when energy costs are so high that it becomes prohibitive for vehicle owners to drive, there is an opportunity to reinvent public transportation to increase ridership. Further, the emergence of the natural gas drilling industry in Pennsylvania presents an opportunity to convert fleets and build fueling stations. This will make transit systems more competitive from a cost standpoint and also reduce environmental impacts.

Policy Guidelines

Essentially, The Institute for Public Policy & Economic Development supports the development and implementation of an RTA that would deliver a coordinated and connected regional transportation system and transit planning at an efficient cost. Quality of service, economies of scale, innovation, expansion (air travel and passenger rail) and facilitating connections to bike and pedestrian trails should serve as the basis for a regional transportation policy. An RTA should work collaboratively with the regional MPO.

Policy Statement

The Institute for Public Policy & Economic Development supports the formation of an RTA that encompasses the airport, bus lines, and rail. Given the economic interdependence of Lackawanna and Luzerne County, the commuter patterns of residents between the two counties, the number of residents who leave the region daily for employment, and the continued challenge of attracting more air carriers and flights, an RTA designation would enhance the integration of all modes of transit under which would be a combined transit authority and a stronger competitor for state and federal funding. The RTA should not only include representatives from the different modes of transportation, but also have geographical balance (from Carbondale in the north to Hazleton in the south), work collaboratively with the MPO and provide service to meet consumer demand. A regional RTA would also allow for increased operating efficiencies and create a regional system that addresses Northeast Pennsylvania’s workforce needs.

Endnotes

1 http://www.coltsbus.com
2 http://www.ridehpt.com
3 http://www.flyavp.com
4 http://www.pnrra.org
A partnership among Keystone College, King’s College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth Medical College, University of Scranton, & Wilkes University

Case Study: SEPTA

Planning, Land Use, Transportation & Infrastructure Task Force (PLuTI)

March 2012
**Introduction**

In 1963, the Southeastern Pennsylvania Transportation Authority (SEPTA) was created by the Pennsylvania Legislature to coordinate a multi-modal transportation system for the greater Philadelphia area, which includes Bucks, Chester, Delaware and Montgomery Counties. Throughout the 1960's and 1970's, SEPTA acquired a number of small transportation companies. In 1983, it assumed responsibility for the regional rail system.

Currently, SEPTA comprises the nation's sixth largest transit system and owns and operates approximately 2,300 buses, subway cars, commuter rail cars, trolleys and trackless trolleys. SEPTA employs 9,250 people throughout the greater Philadelphia area and is responsible for ensuring that 500,000 daily travelers reach their destinations. SEPTA boasts approximately one million daily trips, and logs 78 million miles annually.  

**Description**

**History**

The 1950's brought a decline in the use of mass transit, due to factors, which included increased use of the automobile, urban flight and an increased labor union issues. The greater Philadelphia area had a number of private transportation companies, such as the Philadelphia Transportation Company, the Philadelphia Suburban Transit Company, the Schuylkill Valley Lines, and the Pennsylvania Railroad, to name a few.

The decline in the use of mass transit resulted in a decline in the number of mass transit providers. As such, Philadelphia’s City Council created an advisory board to study its transportation problems and future needs. Not only was the city inextricably linked to its neighboring suburbs in other counties, but the states of Delaware and New Jersey were also principal stakeholders, as people frequently crossed state lines for employment. The advisory board worked with the various providers to prepare a plan to address the region’s future transportation needs.

By 1960, a small group of transit companies joined together under a non-profit to provide improved services. By 1961, Philadelphia and several counties joined to form the Southeastern Pennsylvania Transportation Compact (SEPACT). SEPACT began a cooperative program to address regional issues, prepared studies, applied for planning and implementation grants to further regional transportation. However, the problems did not diminish and the Commonwealth stepped in to form SEPTA.

SEPTA’s organizational purpose was to coordinate government subsidies to the partners. SEPTA managed some of the transit lines under contract with the companies and later began to acquire them. The process of acquiring bus lines, trolley lines and passenger rail lines from the private companies lasted through the early 1980’s. During the late 1960’s and 1970’s, many companies were bought and sold, others went bankrupt. The federal government stepped in to aid failing rail companies through the Regional Rail Reorganization Act of 1973. Through this transition, SEPTA managed the rails line, and in 1981, the Northeast Rail Act allowed rail companies to divest commuter rail operations and pass the
responsibility to local transit authorities. As such, SEPTA officially took over the passenger rail lines and service. ii

**Purpose**

Today, SEPTA’s purpose is to plan, develop and coordinate the regional transportation system within the five counties it serves. It has the power to acquire, construct, operate or lease any public transportation system within its five-county region. iii

**Size and Scope**

SEPTA operates:

- 117 bus routes
- 8 trolley (light rail) lines
- 3 trackless trolley routes
- 2 subway/elevated (heavy rail) lines
- 1 interurban high-speed line (heavy rail)
- 13 regional railroad (commuter rail) lines
- Shared ride service in the City of Philadelphia
- ADA paratransit service

SEPTA is connected to Amtrak’s rail service in downtown Philadelphia, and provides direct rail service to the Philadelphia International Airport. SEPTA passengers can directly connect with the NJ Transit Rail Service and the Port Authority Transit Corporation (PATCO) High Speed Line to New Jersey. SEPTA also includes airport management.
Service Area
Organizational Structure
SEPTA is governed by a board, with representatives from each of the five counties it serves. In addition, the board includes a representative of the Governor, and representatives from the House Majority, House Minority, Senate Majority and Senate Minority.

The board officers include the Chairman, Vice Chairman, General Manager, Chief Financial Officer, General Counsel, Controller to the Board, and Secretary to the Board.

The general manager, executive staff, and staff to the board include seventeen full-time people. Remaining staff fall under a variety of categories including engineering, construction, and maintenance, legal, human resources, operations, business, safety, finance and planning, customer service and audit compliance. Each department has its own operating budget and strategic goals.

Financial Structure
SEPTA revenues are derived from passenger revenues, various levels of government subsidies and investment income. Since 2008, its revenues have exceeded $1 billion dollars. Between 38 and 41 percent of annual revenue generated since 2008 has been the result of passenger fares, while the remainder comes from the government.

Between 56 and 58 percent of SEPTA’s operating expenses go toward wages, payroll taxes and other employee fringe benefits.

In 2010, SEPTA’s assets exceeded $4.2 billion, while its capital assets totaled $3.7 billion. The remainder is classified as current assets (both restricted and non-restricted). Approximately 27 percent of SEPTA’s
liabilities were attributed to long-term debt. SEPTA has had a fairly stable financial base for the past several years, however, noted in 2010 is a decrease in some federal and state subsidies. v

SEPTA relies heavily on Act 44 funding, which the Commonwealth enacted in 2007 to restructure and stabilize public transit funding. As a result of Act 44 funding cuts in 2011, SEPTA lost 25 percent of its capital funding - or $110 million.

Also, SEPTA relies on the federal Regional Transportation Program (RTP), along with the Safe, Accountable, Flexible, and Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU) funding. Both are approved on short-term reauthorizations. Discussions continue in Congress, with hopes of passing a bill before March 31, 2012 – the end of the most current reauthorization period.

Measurements of Success
SEPTA’s five-year strategic business plan has established the integration of quantifiable and measurable key performance indicators (KPIs) to account for organizational and individual performance measurement. The criteria used to develop the KPIs include efforts to:

- Streamline the current performance measurements to ensure that they are meaningful to stakeholders and customer.
- Establish indicators, which are simple and transparent.
- Ensure that there will be divisional tie-in to corporate KPIs. vi

<table>
<thead>
<tr>
<th>Strategic Objective Focus</th>
<th>Metric #1</th>
<th>Metric #2</th>
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<tbody>
<tr>
<td>Customer Service</td>
<td>Achieve system-wide on-time performance at 90%</td>
<td>Increase commendations by 20% per year</td>
</tr>
<tr>
<td>Human Capital Development</td>
<td>Achieve increased training attendance of 5% per year</td>
<td>Reduce turnover rate by 10% for front-line employees</td>
</tr>
<tr>
<td>New Technologies</td>
<td>Introduce 1 new technology initiative per year for operational efficiencies</td>
<td>Achieve 90% of major deadlines within 90 days relating to new payment system</td>
</tr>
<tr>
<td>Rebuilding the System</td>
<td>Achieve 80% of all major deadlines within 90 days of goal</td>
<td>Introduce 5 new green technologies per year</td>
</tr>
<tr>
<td>Ridership Growth for Transit</td>
<td>Achieve 1% growth per year</td>
<td>Introduce 1 new major service initiative per year to serve new markets</td>
</tr>
<tr>
<td>Safety &amp; Security</td>
<td>Reduce accidents for customers and employees by 5% per year</td>
<td>Increase customer satisfaction level relating to safety &amp; security perception by 10%</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Reduce carbon footprint by 5%</td>
<td>Achieve 90% of major project deadlines within 90 days relating to transit-oriented development</td>
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SEPTA must complete a semi-annual review of all of its KPIs and report to the board and to the public via its website. Each operating division must have its own strategic plans, with elements that support corporate goals. The graphic below depicts SEPTA’s corporate and divisional strategies.
Other RTAs

Greater Cleveland

In 1942, the Cleveland Transit System (CTS) was formed. The CTS was a three-person commission within city government. The CTS operated until 1974 and was responsible for buses and rail. The CTS operated with significant deficits annually, as its primary source of revenue came from passenger revenues. As such, infrastructure maintenance and improvements suffered.

In the 1970’s, the Ohio General Assembly passed legislation permitting communities to establish regional transit authorities and build a dedicated regional tax base. As a result, five counties in the Greater Cleveland area decided it was necessary to create a Regional Transit Authority (RTA), develop the regional tax base to support it, and apply for federal funds. These counties participated in a transit study that identified $1 billion in transit improvements. By 1975, the Greater Cleveland Regional Transit Authority was formed and its first board of directors was appointed. During its first year, all of the county and community participants transferred their assets to the RTA. Also during its first year, voters approved a one percent sales tax to fund the RTA. The RTA was fully operational with all routes by the end of 1975, and had 378,000 weekday riders.

Throughout the 1970’s and 1980’s, the RTA expanded into other surrounding communities and added light and heavy rail. Throughout the 1990s, the RTA continued to re-evaluate routes and expanded its lines. Ridership increased. The RTA introduced “Park n Rides,” family fares, and automated toll boxes. There was a concerted effort to route buses through inner-city neighborhoods to get more people to work and to reduce transportation problems for low income workers. The RTA continued working with social service agencies and developed the “Work Access” van program.
To keep up with modern innovations, the RTA added natural gas buses to its downtown fleets in the early 2000’s and built transit stations next to Cleveland’s professional football stadium and museums. It also started a “U Pass” program in conjunction with the local universities.

Through 2011, the Cleveland RTA has consistently focused on customer service, innovation, expansion and improvements. Its ridership has increased for nine consecutive years through 2011. It has collaborated with a number of non-profits, local government, and institutions to provide specialty services and to link major business centers with transportation. In 2011, the RTA added solar power buses. It is financially stable and its bond rating is A+. While this RTA does not include the airport, it has demonstrated a strong operational and financial success story that has clearly positively impacted Greater Cleveland’s mobility and economy.

Southeast Michigan Regional Transit Authority

The Michigan State Senate is debating a bill to form the Southeast Michigan Regional Transit Authority. The bill has the support of the Governor, the federal government and the Mayor of Detroit. The proposed legislation also includes the formation of a ten-member board of directors.

The Michigan RTA would oversee a 110-mile, 23-stop rapid transit bus system (special buses that operate much like a train and have dedicated lanes). The line links multiple counties and the airport to downtown Detroit.

The board of director would be comprised by several appointees: one from the Governor’s office, one from the Detroit Mayor’s office, and two each from the four participating counties. The Governor’s appointee is the Chair of the board and the seat is a non-voting one. The legislation outlines terms, eligibility requirements for board members and voting guidelines. The legislation also identifies staffing and a committee structure.

The authority would hire a CEO and other operational staff, and would create a citizens' advisory committee of residents to provide opinions on transit issues.

An RTA for NEPA

Lackawanna and Luzerne County should form an RTA, which encompasses the airport, bus lines and rail. Given the economic interdependence of the two counties, the commute patterns of residents (between the two counties and the number that leave the region daily for employment), and the continued challenge of trying to increase flights, the RTA designation would allow a combined transit authority the opportunity to become a stronger competitor for public funds on both a federal and state level; allow for increased efficiencies in operations; and finally create a regional system that addresses the region’s workforce needs.
Endnotes

i  http://home.comcast.net/~trolleydriver/history_of_septa.htm
ii  http://www.trainweb.org/phillynrhs/septa.html
v i  SEPTA Strategic Plan
vi  http://www.riderta.com/ar_RTAhistory.asp