

# ***POLICY BRIEF***

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## **PAT Moves Slowly on Private Bus Service Application**

In response to the planned reduction of mass transit service that entails the elimination of 29 routes and the curtailment of 37 others, Lenzner Tours, a private service provider, has applied to the Port Authority (PAT) for permission to operate service from points in the North Hills to Downtown Pittsburgh. A public hearing took place on March 8<sup>th</sup>, and a second one is scheduled for March 14<sup>th</sup>. PAT's board is not scheduled to act upon the Lenzner application prior to its regularly scheduled meeting on March 25<sup>th</sup>. Here's the problem. With the service reductions scheduled to occur on March 27<sup>th</sup>, is it reasonable to delay until March 25<sup>th</sup> the decision to grant the company permission to begin service?

This could be considered an emergency situation that poses a lot of uncertainty for many people. Bus riders in the area hoping to take advantage of the proposed service will have to wait until the very last minute to learn whether there will be service on the 28<sup>th</sup>. That means they will have to have contingency plans in place. And at that late date, will they be able to purchase the weekly or monthly passes in time and if so where? Confusion and inconvenience are inevitable. In short, there is clear obligation on PAT's part to let the public know if the service provider will be operating on the morning of the 28<sup>th</sup> well before March 25<sup>th</sup>.

Then too, the service provider needs to know if they will be operating on the 28<sup>th</sup>. They have many plans to make in order to have vehicles and drivers ready to go. The provider will also need to have worked out details of the ticketing and pass sales and many other administrative matters. It is unreasonable to expect the company to devote a lot of resources to all the planning and preparation until it has been granted permission to begin service.

Under Act 465 of 1955, the Commonwealth conveyed to the Port Authority the "exclusive right to engage in the business of owning, operating, and maintaining a transportation system" in Allegheny County. The act also gives PAT the power to "lease property or contract for service, including managerial and operating service, whenever it can more efficiently and effectively serve the public by so doing, rather than conducting its own operations with its own property".

Now decision time is here. Owing to financial exigencies PAT will soon eliminate key northern County routes and has before it a proposal to offer some replacement service that involves no taxpayer subsidy and no leasing of PAT property. It's this simple: will PAT make use of prerogatives it has under the law or will it kowtow to union pressures and leave the riders totally stranded? The very same union incidentally that is largely responsible for the sad financial plight necessitating the service cuts.

No matter what the decision is to be, it is unreasonable to wait until March 25<sup>th</sup> to decide on this important question. Why can't the board call a special or emergency meeting to decide on the

service application? PAT's website shows that the board did have a special meeting on January 12<sup>th</sup> of this year to amend their operating budget as a result of the SPC's action to flex money, so there is recent precedent suggesting the application could be decided by March 18<sup>th</sup> or thereabouts. Waiting until two days before the service reduction and three days before alternative service is supposed to commence will create unnecessary hardships and confusion. Holding a special meeting two months ago to accept money but not moving quickly on this proposal does not reflect well on the PAT board.

Not surprisingly, the Amalgamated Transit Union is vigorously opposed to the Lenzner plan. Roughly five years ago, when PAT had proposed outsourcing 20 percent of operations and maintenance as part of a new contract, union leadership said such a move would be "asking the [union] to give away our work" (see *Policy Brief Volume 5, Number 21*). It is doubtful that the intervening years have changed that prevailing attitude or led to the realization that the "work" does not belong to the union; rather it is a product of a state-granted monopoly funded by riders and taxpayer dollars.

This situation should be closely monitored by the state. Because the law creating PAT provides the legal power to determine how to best provide service, the state must exercise its power if the agency decides against allowing Lenzner to provide much needed and wanted replacement service. Such a decision would point to PAT's helplessness in the face of unions—helplessness that over the years has constantly shortchanged the transit using public and taxpayers with high costs and inefficiencies.

If the decision goes against Lenzner the state has to consider all its options including removing PAT's monopoly status, mandating service outsourcing, eliminating the right of transit workers to strike and if all this fails to elicit better decisions, a forced bankruptcy and termination of the Authority. Transit agencies in neighboring counties contract out all of their service and there is no evidence that the drivers are careless, dissatisfied, or involved in accidents at a troublesome rate. Denver has had experience with wide scale competitive contracting since the mid 1990s. Even the former Governor's Transportation Task Force (which heard testimony from officials in Denver in 2006) recommended examining competitive contracting options on a regular basis.

If the PAT board cannot fix its problems or does not have the will to do what it needs to do on behalf of the people it was created to serve, then the state must intervene and do the job for them.

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