



# **Testimony of Paul Skoutelas**

**President and CEO  
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**Before the  
Senate Transportation Committee  
Commonwealth Of Pennsylvania**

**Hearing On  
Optimizing Pennsylvania's Multimodal Transportation System**

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## Introduction

Good morning, Chair Langerholc, Minority Chair Flynn, and distinguished members of the Pennsylvania Senate Transportation Committee.

Thank you for the invitation to be with you today to discuss national transportation trends and the state of public transportation. I am Paul Skoutelas, President and CEO of the American Transportation Association, the primary trade organization representing all modes of public transportation in North America; bus, BRT, streetcar, LRT commuter, metros and high speed rail. Public transportation in the US is a \$79 billion industry that directly employs 430,000 people and supports millions of private-sector jobs.

While our principal focus at APTA is at the Federal level, both legislative and regulatory matters, we also track and engage on developments that affect transit at the state and local levels. I bring keen understanding and insights regarding Pennsylvania as I grew up in the state, went to college here earning graduate degrees in civil engineering from Penn State and an MBA from the University of Pittsburgh and have worked here for much of my career including as CEO of Port Authority of Allegheny County, now known as Pittsburgh Regional Transit. I have also served as CEO for the Central Florida Regional Transportation Authority in Orlando.

My entire career has been in public transportation in both the public and private sectors and prior to assuming my position at APTA led the transit and rail business nationally for a large engineering firm. I know by personal experience the Commonwealth's tradition in supporting a balanced, multi-modal transportation system. Pennsylvania is seen across the country as a leader in its support of public transportation.

I begin by underscoring the theme for today's hearing *Optimizing Pennsylvania's Multimodal Transportation System*. Everywhere you go, the overall transportation system needs to address both movement of people and movement of goods. It must be balanced between modes, it must be integrated, and it must offer options and choices.

I commend Pennsylvania Transportation Secretary Mike Carroll for his leadership and vision in putting Pennsylvania at or near the top as being forward thinking on transportation issues. I want to acknowledge transit agencies such as SEPTA and Pittsburgh Regional Transit for steps they have proactively taken to reduce costs through actions such as SEPTA's Accountability and Efficiency Initiative. And I applaud the best practices demonstrated through the Pennsylvania Public Transportation Association and its members which have attracted national attention in areas such as customer service improvements, coordinated transportation, technology, and service improvements.

I have been invited today to offer my perspective on national trends, notably travel trends, service trends, funding, and to offer a national perspective on public transportation.

## National Trends in Travel, Transit Ridership, and Service

It is important to recognize the enormous scale of our nation's public transit ridership. Transit riders took 7.1 billion trips in 2023 – an average of 24 million trips every day. I like to think this is more face-to-face customers than any other business.

Nationally, aggregate public transportation ridership has been on a steady upward trend. Smaller transit systems have recovered faster, as has bus ridership generally. In a growing number of regions, ridership has surpassed pre-pandemic levels.

For many decades APTA has compiled statistics for the public transportation industry, including North American transit ridership statistics. We know that public transportation ridership nationwide has increased 68% from where it was three years ago.<sup>1</sup> All transit modes and all system sizes show growth. Increases in midday, evening, and weekend ridership are especially notable. The 16% increase in public transit ridership in 2023 happened as office occupancy for the year remained flat at approximately 50 percent (according to Kastle Systems). Pennsylvania trends are generally consistent with national data, even while operator shortages have impact service levels at many systems.

Remote work continues to impact transit ridership, though the impact varies across economic sectors. Office jobs in central business districts and technology jobs continue to have high telework numbers. This has affected ridership across the nation's largest systems, particularly rail systems serving downtown commuters. I am happy to note, however, that many businesses are gradually ramping up office participation. What we have seen since the onset of the Covid pandemic and the four years that followed is that transit has been a resilient mode of transportation that has continued to serve people to connect them to life's most important needs; jobs, health care, education and recreational activities.

Public transit agencies navigated the unprecedented pandemic-era decreases in ridership and fare revenue resulting from the pandemic by adapting service to different needs, including aligning service patterns, investing in innovative projects to draw ridership, and improving capital planning.

Transit agencies are staying ahead of changing travel patterns through initiatives that restructure, reorient, and reimagine their route networks. Many are providing more frequent service on core routes, while replacing fixed route services in lower-density areas with on-demand micro transit pilot services which connect with other routes in the network. Transit systems are positioning themselves as the backbone of a broader mobility ecosystem by integrating mobility services.

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<sup>1</sup> "Public Transportation Ridership Report"  
<https://www.apta.com/research-technical-resources/transit-statistics/ridership-report/>

## Investing in Public Transportation

While ridership levels have recovered to 80 percent of pre-pandemic levels nationwide, they vary by mode and agency. The slower recovery of rail ridership has a significant impact on fare revenues of multi-modal transit agencies because rail systems generally have a much higher fare box recovery compared to bus systems.

In addition, operating costs have increased substantially since 2019. Inflation has increased the price of goods and services that transit agencies purchase. The tight labor market has led agencies to increase compensation to attract and retain workers, which has also increased costs.

As a result of these factors, some transit agencies are facing looming operating budget shortfalls, or a “fiscal cliff.” In a 2023 APTA survey, one-half of responding agencies (51 percent) indicated that they will experience a fiscal cliff in the next five fiscal years.<sup>2</sup> Many public transit agencies, including those in Pennsylvania, have implemented efficiencies to reduce their costs and worked with their communities to identify state and local funding sources to address operating shortfalls.

Pennsylvania is not alone in confronting this “fiscal cliff” in public transportation funding. Over the past several years, many States, including New York, New Jersey, Virginia, Maryland, Minnesota, Washington State, Massachusetts, California, Colorado, and the District of Columbia have reached State and local budget agreements that provide needed resources to public transit through a combination of revenue, funding, cost reduction measures, and fare increases. These agreements include everything from sales taxes, and fees on package deliveries, energy production, and casino licensing, to streamlining operations and fare increases. I would be happy to follow up with specific information on each of these case studies.

Investment in public transportation helps communities of all sizes flourish, connecting workers to jobs, students to school, and people to healthcare. It is an important transportation strategy for communities large and small; rural, suburban and urban. Accessible, affordable public transportation helps families, students, and workers save money and grow the economy

Each \$1 invested in public transportation generates \$5 in long-term economic re-turns. Every \$1 billion invested in public transportation creates or sustains nearly 50,000 jobs across the entire economy, including in non-transit industries.

Moreover, almost 60 percent of public transit investment flows directly into the private sector. Investment in public transportation creates jobs in communities of all sizes throughout the country, including in smaller urban and rural areas where buses, railcars, and their parts are often manufactured. Public transportation procurement and manufacturing relies on private-sector suppliers and partners in the great majority of Pennsylvania counties for products and

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<sup>2</sup> “Public Transit Agencies Face Severe Fiscal Cliff”

<https://www.apta.com/wp-content/uploads/APTA-Survey-Brief-Fiscal-Cliff-June-2023.pdf>

services ranging from manufacturing to design and construction, to operations and maintenance, to data management and technological innovation.

## **A Forward-Looking Vision for Pennsylvania**

I will conclude with a few select remarks about why I believe public transportation has such a pivotal, forward-looking role in serving communities and underpinning the economy.

There are so many other states, so many other regions of the country aspire to have the public transportation networks you have here in Pennsylvania. My message is to not let that slip. Should transit systems be forced to cut service, reduce frequencies, or slip into a backlog in state-of-good repair, they inevitably will lose ground in their quest to offer the public good public transportation choices. I also urge caution about fare increases. Pennsylvania policy makers need to give careful consideration of the limits of fare increases in addressing funding shortfalls. Fare increases can be a burden on those who rely on transit most, have impacts on transit ridership, and often have an unintended and adverse impact on federal formula funds to states and regions.

Impacts are felt in communities large and small. APTA’s report *Public Transportation’s Impact on Rural and Small Towns* describes transit’s role in assuring freedom, independence and access to opportunity. Additional perspectives are provided in the APTA report *Aging Americans: Stranded Without Options*.<sup>3</sup>

I will also add that public transportation is a popular issue with the public. This is reflected by voters and the actions they have taken in response to transit ballot measures. When asked in state and local elections if they support transit investments, voters have supported transit in 26 of 27 referenda so far this year (with more coming in the November 5 elections.) In 2023, voters supported transit in nine of ten elections. In 2022, transit prevailed in 29 elections, while coming short in only 9 (a success rate of over 78%.) And amid the uncertainty brought on during the pandemic years, voters weighed-in to support transit investments 47 of 52 times in 2020 and eleven-of-eleven times in 2021.<sup>4</sup>

Pennsylvania has so much to look forward to in the years ahead. The 2026 World Cup Games, the 250th anniversary of our nation’s freedom, and, most importantly, the ongoing social and economic well-being of Pennsylvania residents. I commend you for working together with Governor Shapiro, Secretary Carroll, and your legislative leadership in your efforts to bolster public transportation and the many benefits it brings to the Commonwealth.

I will be happy to address any questions or provide additional information.

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<sup>3</sup> “Public Transportation’s Impact on Rural and Small Towns”  
<https://www.apta.com/research-technical-resources/research-reports/public-transportations-impact-on-rural-and-small-towns/>  
“Aging Americans: Stranded Without Options”  
[https://www.apta.com/wp-content/uploads/Resources/resources/reportsandpublications/Documents/aging\\_stranded.pdf](https://www.apta.com/wp-content/uploads/Resources/resources/reportsandpublications/Documents/aging_stranded.pdf)

<sup>4</sup> “APTA Center for Transportation Excellence”  
<https://cftc.org/initiatives/campaigns/?campaignyear=2024&startdate=1704085200&enddate=1735707600>