



OFFICIAL NEWSLETTER OF THE OMNIBUS SOCIETY OF AMERICA, INC.

JULY 2007

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Welcome to another issue of The Green Pennant Special, the official publication of The Omnibus Society of America.

Through this publication we hope to keep our readers informed of events happening in the transit industry in Chicago and other cities in the United States.

Visit the Omnibus Society of America website at "www.osabus.com". At osabus.com we will be posting upcoming fan trips and meetings information, as well as membership information.

Please visit our site when you have a chance and give us your opinions and comments.

• JULY OSA MEETING

The July meeting of the Omnibus Society of America will be held on July 6, 2007, in the Anderson Pavilion of Swedish Covenant Hospital, 2751 W. Winona Avenue, Chicago, Illinois. The meeting will start at 7:30 pm.

Our program for the evening T B A will be a slide presentation presented by

The hospital is on California near Foster. Winona is one half-block south of Foster. By public transportation, take the 92 Foster to California. From the Ravenswood Brown Line, take the 93 North California from Kimball, get off after it turns onto California from Foster and walk back south. Or, take the 11 Lincoln from Western; get off at Carmen (One block south of Foster) and walk west on Winona.

There is some parking on California and Winona. The parking structure is on the west side of California just south of Foster.

• RTA Rattles

Funding for RTA? Yes, with firm conditions

Posted Tuesday, June 19, 2007 dailyherald.com

Metra and Pace last week joined the CTA in declaring that service cuts and fare hikes lie ahead if state lawmakers fail to send more operating money their way.

Idle threats from the usual suspects? Not likely. The three service agencies of the Regional Transportation Authority might not cut as deeply as they say if Springfield doesn't authorize more money for their operating expenses. And if they do raise fares, well, that should be part of the equation anyway.

But if legislators do not OK increased operating funds, the agencies will have to reduce service to some extent. Precisely that conclusion came this spring from the most credible of sources: state Auditor General William Holland. Holland traced financial problems in part to mismanagement, which lawmakers must address as a condition for any new money. But he also concluded that the agencies would need more money even if they were operating at peak efficiency. The financial arrangements that lawmakers put into place nearly 25 years ago are no longer sufficient to meet the RTA agencies' needs as they struggle to keep pace with escalating costs of providing service.

State Rep. Julie Hamos, an Evanston Democrat, has proposed raising operating funds through a ~-cent increase in the sales tax and a real estate transfer tax in Chicago. An extra ~-cent sales tax hike in the collar counties would generate money that each county could spend on road projects as it sees fit. While that provision means Hamos' proposal is not a pure transit bill, it also offers suburban legislators political cover to vote "yes" and offers up road funds that each county could put to good use.

None of this is remotely palatable without several conditions and protections, which Hamos has in place to one degree or another.

First, lawmakers would be remiss to authorize another dime unless financial and accountability reforms are part of the deal. Hamos' bill would trim CTA employees' pension and benefits. Better yet would be new CTA chief Ron Huberman's suggestion that new workers be put into 401(k) plans instead of defined-benefit pensions.

Structural changes also are in the works that would give the RTA stronger oversight authority of the service agencies and more leverage to make each agency accountable, more leverage to insist, for instance, that the CTA curb its costly absenteeism. This is a must. Second, legislators must insist on fare increases. Holland's audit indicated that among the three agencies, only Pace has upped fares to keep pace with inflation in recent years. Finally, while logic would suggest tying transit funds to a motor fuel tax, the state has long since chosen the sales tax route. Any additional hike in the sales tax is not ideal, but the needs of Chicago-area transit — vital to preventing highway congestion from getting even worse and curbing carbon emissions — are legitimate.

While the Hamos bill is imperfect and can be backed only with the aforementioned caveats, among others, it is a good-faith effort to roll needed reforms and money into one measure. It definitely beats one alternative lurking in Springfield: a governor-backed bailout of the CTA alone — an objectionable move that could effectively delay needed legislative aid for Metra and Pace, both of which have been better managed than the CTA.

RTA officials also want a capital infusion of up to \$10 billion. It's all but impossible to fathom this request going anywhere this legislative session, and it's hard to back it unless capital is also forthcoming for school construction and roads. Still, legislators will need to come up with transit capital relatively soon. Metra, in particular, needs large sums if it is to proceed with such important projects as the STAR line, which would facilitate suburb-to-suburb rail commuting. If recent years have shown anything, it is that suburban commuters will flock to new or extended Metra lines.

While insisting on reforms and accountability, legislators also face something of a pay-now-or-pay-later situation. They can't take care of all RTA's needs at once. But it's time to start.

• CTA CORNER

CTA Outlines Contingency Plan

05/24/07

Service Reductions and Higher Fares Proposed for September

In order to comply with a directive from the Regional Transportation Authority to submit a contingency plan to balance its 2007 budget, Chicago Transit Authority President Ron Huberman today outlined his recommendation. After carefully evaluating multiple scenarios, Huberman said he intends to recommend a plan that would combine further administrative cuts and efficiencies with higher fares, a 13% reduction in bus and rail service, and the transfer of nearly \$57 million in capital funds that had been intended for renovating buses and rail cars. If approved by the Chicago Transit Board, these measures will bridge a \$97.5 million gap in the CTA's 2007 budget.

At the direction of the RTA — the financial oversight body for regional transit agencies — the CTA developed a 2007 budget that anticipated an additional \$110 million in public funding. The RTA recently asked the CTA to submit a plan detailing the steps the agency would need to take to balance its budget if the funding anticipated by the RTA is not available. The plan must first be approved by the Chicago Transit Board.

"Over the past few weeks, we have researched and evaluated a series of options. All of the choices are

painful because we have to reduce our costs by nearly \$100 million over the course of a few months. But after careful analysis, I am recommending the approach I believe most fairly distributes the impact on our customers. Of all of the options available to us, this plan puts the least direct burden on our riders," said Huberman.

Huberman said his recommendation also adheres to three guiding principles laid out by the Chicago Transit Board to maintain as much availability as possible for transit dependent customers; maintain regional connections where possible; and spread the burden of cost reductions in an equitable manner. It also is the plan most compatible with federal Title VI guidelines that ensure minority routes are not disproportionately impacted and Environmental Justice analyses regarding impacts on populations that are below the poverty level. Each of the potential plans that Huberman evaluated assumed at least \$5.6 million in new administrative cuts and efficiencies on top of the \$12.5 million in administrative cuts announced earlier this month. The new administrative cuts and efficiencies include:

- Defer pay increases for non-union employees;
- Graduated furlough days for non-union employees earning \$50,000 or more;
- Eliminating 27 positions;
- Expanding a program to charge for under 'L' parking.

The remainder of the shortfall would be made up through a combination of service reductions, higher fares and borrowing capital funds to support operations.

Under the plan recommended by Huberman, only routes that currently operate on Sundays would be retained.

- Service would be suspended on 63 bus routes, but the remaining 91 routes would continue to operate at current levels.
- Rail service would be suspended on the Purple Express rush hour service and on the Yellow Line. All other rail routes, including the Purple Line, would operate at current service levels.

Fare increases for individual rides would range from 25 cents to \$1.25, depending on the time and mode of travel.

- Rail fares would be priced higher than bus fares.
- Higher fares would be charged during rush periods. \$2.75 for bus. \$3.25 for rail.
- In off-peak hours, cash fares would rise to \$2.25 for bus and \$2.50 for rail.
- Transfers would double from 25 cents to 50 cents.
- Prices for unlimited ride passes would increase an average of 63%

Finally, capital funds of \$56.9 million would be transferred to the operating budget. As a result, bus and rail car renovations would be delayed.

Huberman said he is recommending this approach because of all the scenarios evaluated, it lessened the immediate impact on customers. 58% of the necessary funds would come from a transfer of capital and only 15% from service reductions and 21% from fare

increases. Every scenario included 6% from administrative reductions.

"While there is no way to cut nearly \$100 million from our budget without impacting riders, this plan is the least drastic of the options available to us," said Huberman.

"Borrowing from capital is a band-aid approach that creates another set of problems with deferred maintenance, but it allows us to forestall even deeper service cuts and fare increases that would accelerate a downward spiral of ridership losses. That has happened to the CTA in the past and, once it begins, it is very difficult to climb back out."

He said that CTA remains committed to carefully managing its operations and improving efficiency. Administrative cost cutting measures have already shaved \$12.5 million from the initial deficit of \$110 million. Huberman is also implementing a Performance Management Initiative at the CTA that will set standards for every employee and hold managers strictly accountable for the performance of their departments. CTA riders and the general public will have the opportunity to provide comments to the Chicago Transit Board on the proposed plan at upcoming public hearings.

Tuesday, June 5, 6:30 p.m.

Sherman Park Fieldhouse

1301 W. 52nd Street

Chicago, IL 60609

Wednesday, June 6, 6:30 p.m.

Michelle's Ballroom

2800 W. Belmont Avenue

Chicago, IL 60618

Monday, June 11, 6:30 p.m.

University of Illinois at Chicago

Student Center East

750 S. Halsted, Room 302

Chicago, IL 60607

Wednesday, June 13, 9:00 a.m.

CTA Headquarters

567 W. Lake, Chicago, IL 60661

In addition, public comment may be submitted to the board by email at ctahelp@transitchicago.com or writing to the following address: Chicago Transit Authority, P.O. Box 7567, Chicago, IL 60680, Attention: Gregory Longhini, Assistant Secretary, Chicago Transit Board. All written comments are due by June 11, 2007.

Reference Links:

[CTA 2007 Contingency Plan presentation – 5/29/07](#)
(1.5MB PDF)

[List of Proposed Service Reductions](#) (PDF)

[Fare Structure for Proposed Budget Balancing Option](#)
(PDF)

[RTA letter](#) (PDF)

[Impacts of Proposed Budget Balancing Option](#) (PDF)

[CTA Announces \\$12.5 Million in Administrative Cuts](#) -
press release

• PACE Patter

Message from the Chairman

June 15, 2007

Dear Leaders and Legislators:

I know I speak for the Pace Board and staff when I say that this is the message we had hoped we wouldn't need to send.

Our agency has remained optimistic and continues to plan for the future despite the uncertainty surrounding transit funding. However, we are required to submit a balanced budget to the RTA and unfortunately without new funding from Springfield the attached action plan very well may become a reality.

At first glance these actions may seem drastic, yet the Regional ADA paratransit budget has a deficit of \$27 million and runs out of funding on September 1st. The suburban bus budget still needs \$23 million. Without new funding further action may be needed and the plan outlined here could become a blueprint for our 2008 budget.

Public hearings are being scheduled for the weeks of July 16 and July 23 for the public to have a chance to comment on our proposed plan. Their input will then be considered at our August 1st Board meeting when final decisions will be made on fare increases and service cuts.

While we are releasing this today, we are still 100% supportive of SB 572 which proposes an increase in the regional sales tax to provide a steady stream of funding for not only Pace but the CTA and Metra as well. Reliable transit reduces congestion, increases property values and provides for a healthy business environment. Please support SB 572.

Sincerely,
Richard Kwasneski
Chairman

Pace Works!

If you use Pace services, or you know someone who uses Pace services, you know better than anyone that Pace is an integral part of the day-to-day lives of many people. Many people may soon find their transportation services negatively affected because Pace's funding is insufficient to maintain current services.

The Illinois General Assembly is debating transit funding, so now is the time for you to help. Contact your state legislators and Governor Blagojevich today to let them know you support transit ([click here](#))!

Pace expects its ADA paratransit funding need to be \$81 million in 2007, yet the Governor's budget proposes only \$54 million for ADA paratransit operations. The Pace ADA Paratransit budget faces a **\$27 million shortfall** which must be eliminated just to continue existing service.

Pace expects its Suburban Services (fixed-route buses and vanpool programs) to cost \$166 million in 2007. Suburban Services funding totals only \$143 million. The Pace Suburban Services budget faces a **\$23 million shortfall** which must be eliminated just to continue existing service.

Pace's Funding Crisis

Service Type	Operating Expense	Funding	Funding Gap
ADA Paratransit	\$81 Million	\$54 Million	\$27 Million
Fixed Route/Vanpool	\$166 Million	\$143 Million	\$23 Million
Total Funding Gap			\$50 Million

The ***Moving Beyond Congestion*** campaign, a joint effort between RTA, Pace, CTA and Metra, calls for \$400 million annually in new operating funding and a 10-year, \$5 billion capital program. Northeastern Illinois transit agencies have not received any state capital funding since 2004, and operations funding has remained static since 1984.

The Illinois Auditor General audited Northeastern Illinois's transit agencies (Pace, RTA, CTA, and Metra) in a report released in March 2007. This bipartisan report concluded that, "The transit agencies of northeastern Illinois are facing a serious financial shortfall. Revenues for mass transit are not sufficient to pay the cost of current operations and capital renewal programs, nor provide new services." **Even if fares were doubled, northeastern Illinois's transit agencies would be underfunded.**

The report also stated that in 24 of 29 categories, Pace is as good as or better than transit industry peers against whom its performance was measured. Other report highlights for Pace include:

- Pace had the greatest increase in miles passengers rode - 58.2 percent - between 1985 and 2005 compared to Metra, with an increase of 19.3 percent, and the CTA, with a decline of 10 percent.
- The agency was cited for its high level of balanced performance measures, and the good job it's done of creating an age-diverse fleet by staggering replacement vehicles.
- Pace increased vanpool service about 70% faster than the average transit system in the peer group. It operates about 30% more vanpool service than peer group systems when measured by miles and peak vehicles.

The Auditor General's report clearly shows that Pace's public transportation services are operated efficiently but are simply underfunded. By contacting your state representatives, you can help northeastern Illinois's transit providers continue to deliver the services upon which you depend. With increased funding, system improvements and growth can begin. Without it, Pace and the region's other transit agencies need to begin shrinking the system as we know it. **Thank you for letting your legislators hear your voice.**

• METRA Matters

As most of us know METRA is in the same boat as CTA and PACE, facing shortfalls in their budget. As time grows shorter, the list of cuts I am sure will grow longer. I suggest we all contact our legislators as suggested by Mr. Kwasneski, to urge them to get off their butts and do what we pay them for!!!!