

PUBLIC TRANSPORTATION: PRIORITIES AND CHALLENGES FOR REAUTHORIZATION

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BEFORE THE

COMMITTEE ON

BANKING, HOUSING, AND URBAN AFFAIRS

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FIRST SESSION

ON

EXAMINING THE REAUTHORIZATION, PRIORITIES, AND CHALLENGES OF
PUBLIC TRANSPORTATION

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THURSDAY, MAY 19, 2011

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The Committee met at 10:05 a.m., in room SD-538, Dirksen Senate Office Building, Hon. Tim Johnson, Chairman of the Committee, presiding.

OPENING STATEMENT OF CHAIRMAN TIM JOHNSON

Chairman JOHNSON. Good morning. I call this hearing to order.

Today the Committee holds its first hearing this Congress on public transportation as we begin work on a new surface transportation bill. This effort will build on a substantial hearing record on public transportation and transit safety that our previous Chair, Senator Dodd, and Ranking Member Senator Shelby worked to establish last Congress. I look forward to continuing this effort on a bipartisan basis with Senator Shelby, our Subcommittee Chairman Senator Menendez, and all of the Members of this Committee.

This is a very important time to talk about public transportation. High gas prices are stretching families' budgets across the Nation, and where there is good transit service, taking a bus or train to work can make a big difference. Unfortunately, few Americans have that option.

A few days ago, I got a note from Bob Ecoffey on the Pine Ridge Reservation in South Dakota. Bob works for the Bureau of Indian Affairs. He and his wife, Darlene, also own a Subway sandwich shop in Pine Ridge Village. I want to read part of this note for the Committee.

"Tim, I hope this message finds you well. I heard that you will be working on a transportation bill soon. Five of the employees at our sandwich shop take a bus operated by Oglala Sioux Transit to get to work. You know how vast the reservation is, so having a reliable and affordable means to get to the store really helps them."

I want to thank Bob for sharing his thoughts. It is sometimes forgotten, but reliable and accessible public transit is vital in rural areas like South Dakota, just as it is vital in large urban cities. Our public transit systems connect workers with employers, keep cars off congested roads, reduce our dependence on foreign oil, and get people where they are going safely and affordably.

We are joined today by Peter Rogoff of the Federal Transit Administration and four distinguished leaders from the transportation industry. Mr. Rogoff, I share the Administration's interest in re-

pairing outdated infrastructure, improving safety oversight, and simplifying and consolidating existing programs. I applaud President Obama's call to improve our transportation system and look forward to working with the Administration on a bill.

The current extension of transit and highway programs runs through September 30th. Congress has produced seven short-term extensions since 2009, so it is time to get to work on this legislation. Getting a long-term bill done will not be easy, but I hope that improving transportation is a topic where both parties can find common ground.

With that, I will turn to Senator Shelby for his opening remarks. Senator Shelby.

STATEMENT OF SENATOR RICHARD C. SHELBY

Senator SHELBY. Thank you, Mr. Chairman.

Today the Committee, as the Chairman has noted, will discuss reauthorization of the surface transportation bill, or something we call SAFETEA. We are nearly 2 years beyond the September 2009 expiration date of SAFETEA and no closer to legislation that would allow infrastructure investments to move forward.

While the Administration has provided some technical assistance on reauthorization, I believe they have yet to transmit a comprehensive proposal. While not surprising, it is disappointing and does not provide the leadership required to move this process forward.

I believe we need to work together on a reform effort that will promote greater efficiency and effectiveness in public transportation systems across America. I hope this can happen.

As we move forward, I believe that there is much that can be done at the Federal Transit Administration to eliminate and to reduce many of the duplicative and bureaucratic processes that are still in place. State of good repair is also an issue that should become a more integral part of the transit program.

I believe we must institute a system that ensures greater accountability and encourages real investment in maintaining our aging public transportation infrastructure. By contrast, the current system invests in new construction without any real consideration for how well existing infrastructure is maintained. I believe this needs to be changed.

Setting aside for a moment the specific issues related to the transit title of the authorization bill, I want to speak briefly about what I believe is the most significant issue surrounding the reauthorization of SAFETEA: the solvency of the Highway Trust Fund.

According to the Congressional Budget Office, the expenditures from the Highway Trust Fund will begin to exceed revenues as early as August of next year, and by law, the Highway Trust Fund may not deficit spend. This restriction simply means that before Congress can write a fiscally responsible reauthorization bill, it must ensure the long-term solvency of the trust fund. While some have advocated for a full 6-year reauthorization at current levels, others have promoted a 2-year authorization with incremental increases.

The length of the reauthorization is not as important, however, as the need to pay for all of this spending. I believe that the best

and the most responsible course is a full 6-year reauthorization that also ensures the long-term solvency of the trust fund.

I am also deeply concerned about the possibility of a 2-year authorization that uses gimmicks to mask the financial difficulties of the trust fund. We should not go down that road. In fact, Mr. Chairman, I believe that most Americans would agree that a reauthorization bill that leaves the program insolvent or near insolvency upon its expiration I believe would be totally irresponsible for the Congress.

Unfortunately, there are no easy answers here. Infrastructure spending is essential to our long-term economic stability and growth. Nevertheless, this country cannot continue to deficit spend its way out of its problems—we all know this—for infrastructure or anything else. Therefore, I believe we must begin this discussion here with the realization that difficult decisions are going to have to be made. Only then can we provide the certainty needed by all interested parties.

Thank you, Mr. Chairman.

Chairman JOHNSON. Are there any Members who wish to make opening statements? Senator Tester.

STATEMENT OF SENATOR JON TESTER

Senator TESTER. Well, thank you, Mr. Chairman. I appreciate the opportunity. And I would like to thank the Ranking Member for his statement. I think we do need a long-term transportation bill, and it is going to take some tough decisions. It is going to take Democrats and Republicans working together.

I want to welcome Mr. Rogoff here today. You know, I come from rural America, and it is not the first place you would think about public transportation needs or mass transit, but it is important. It is important to get folks to work, to school, to the health care that they need, and because of recent authorizations, we have been able to do some good things in Montana. But the fact is that it is an important link, and it is more important every day, especially considering the growing number of veterans and the aging population in my State.

So as we consider transit issues, we need a commitment from you to make sure we do not forget about rural America, to make sure that when the transit reauthorization is considered that you make a commitment to make sure that rural America gets the services they need.

Now, what I am talking about is buses and van systems. Light rails do not really work. We do not have it. But the fact is buses and van systems do. I can tell you there are many communities that do not have any transportation systems. Some have just essential air. And those buses and van systems are critically important. So hopefully during your testimony you can address that.

The other thing is this: We have the second highest per capita in veterans in the State of Montana of any State in the Union. We have got seven Indian reservations that need transportation. Those vets need transportation. I think there are opportunities there for your department to really save some money and get better services to both of those communities.

So with that, I want to thank you very much for being here, and I look forward to your testimony.

Senator AKAKA. Mr. Chairman.

Chairman JOHNSON. Senator Akaka.

STATEMENT OF SENATOR DANIEL K. AKAKA

Senator AKAKA. Mr. Chairman, I have a brief statement.

Chairman Johnson, I want to thank you for holding this hearing, and it is good to be here with the Ranking Member, Richard Shelby, and Members.

Public transportation is critically important to Hawaii, which currently has the highest gas prices in the Nation and the second worst peak rush traffic congestion delays behind only the city of Los Angeles. Public transit, the bus and the coming Honolulu Rail Project, takes cars off the road and helps residents save on fuel while helping the environment. So there is a real need for expanded transit in Hawaii.

Federal support for public transportation programs, both in my State and across the Nation, will continue to be necessary in order to reduce wasted time, gas, and money.

Thank you, Chairman Johnson, for calling this hearing so that we can examine how to improve and expand mobility for all Americans through transit. Thank you and I want to thank also the witnesses who are here.

Thank you.

Chairman JOHNSON. Senator Reed.

STATEMENT OF SENATOR JACK REED

Senator REED. Thank you very much, Mr. Chairman. I simply want to thank and commend Mr. Rogoff for his extraordinary leadership. Thank you, Peter.

I had the privilege of working with you, Mr. Chairman, and Senator Shelby on the previous authorization on a very productive and bipartisan basis, and I look forward to that again.

Also, just to echo what my colleagues have said, this is no longer a rail, northeast, urban issue. This is a national issue that touches every aspect of America, and if we are going to be productive, we have to have good transit.

Thank you.

Chairman JOHNSON. Senator Bennet, do you wish to have an opening statement?

Senator BENNET. Thank you, Mr. Chairman. I will submit it for the record and just thank the witnesses for being here today.

Chairman JOHNSON. On the first panel, we will be hearing from the Honorable Peter Rogoff, the Administrator of the Federal Transit Administration at the Department of Transportation. Before joining the Administration, Peter worked for the Senate Appropriations Committee. We welcome him back today.

Please proceed with your testimony.

STATEMENT OF PETER M. ROGOFF, ADMINISTRATOR, FEDERAL TRANSIT ADMINISTRATION

Mr. ROGOFF. Thank you, Mr. Chairman, Senator Shelby, and Members of the Committee. I want to thank you for this oppor-

tunity to be here today to discuss the Obama administration's policy priorities for the next authorization of our Federal transit programs.

Just as we experienced 2 years ago, transit agencies around the country are experiencing a surge in ridership that is attributable in part to gasoline prices hovering around \$4 a gallon, or in the case of Senator Akaka's State, even higher. The Obama administration is determined to implement policies and investments that will help the American people keep more of their wages in their wallets rather than just hand them over at the gas pump. The President's 2012 budget request for the FTA and the policy priorities we are presenting to this Committee are central to our efforts.

The reauthorization of our surface transportation programs is a critical opportunity to lower our dependence on oil by making public transit a safer, more reliable, and more desirable choice for more Americans. We must use this opportunity to make these necessary investments to ensure that we do not lose current transit passengers who have grown weary of commutes with deteriorating infrastructure and reliability. And we must use this opportunity to put millions of Americans to work on sustainable projects that improve our quality of life, expand our opportunities for economic growth, and maximize the number of domestic jobs created with our own taxpayer money.

The Administration's policy proposals for reauthorization are a major step in this direction. While you have a great many policy proposals before you, I would like to use this brief opening statement to highlight just five priorities that will strengthen public transportation and ensure that we invest taxpayer dollars wisely.

First and foremost is safety. Back in December of 2009, the Obama administration formally submitted a desperately needed rail transit safety bill to Congress. I am very, very grateful to this Committee for unanimously passing its own landmark rail transit safety bill last June.

The time to renew action on this important legislation is now. The fact is the FTA is still living with an antiquated 1960s era law that prohibits the Federal Government from issuing even the most basic safety regulations that the traveling public needs.

At present, commuter and intercity rail systems serving nearly half a billion annual rail passengers are subject to voluminous Federal safety regulations administered by hundreds of FRA inspectors across the country. By contrast, eight times as many rail transit passengers are traveling on systems that are subject to no Federal safety standards whatsoever. There is almost no oversight since the 27 State agencies that are charged with doing it have almost no staff and very little experience and expertise.

The bottom line is we need credible, enforceable minimum safety standards for our rail transit systems. While our transit systems are safe, a safe way to travel, we continue to see too many preventable accidents. Recently we had a derailed San Francisco BART train that forced the evacuation of 60 passengers. We saw a track fire on the MBTA system in Boston that left 20 passengers injured, some from serious smoke inhalation.

Mr. Chairman, the *status quo* when it comes to rail transit safety oversight is simply indefensible. This Committee recognized that on

a bipartisan basis this past June. I implore you to once again tackle this issue, and soon.

Second, we must face head-on the state of good repair of our transit systems, as Senator Shelby said. The Administration supports a ground-breaking commitment to bring our current transit systems into a state of good repair, especially our oldest and largest systems that carry millions of passengers in and around our major cities every day.

Just in our seven largest rail transit systems we are facing a deferred maintenance backlog of some \$50 billion. These seven systems serve 80 percent of the rail transit passengers in America. If we do not address the need to replace their aging assets, we run the very real risk of experiencing serious service and reliability problems that make it very difficult for working parents to get home in time to see their kids at night. This is not acceptable to the Obama administration. As such, we have proposed a significant new program to invest in the state of good repair of these systems and all other transit systems across the U.S., large and small, urban and rural.

Third, we must be cognizant of the challenges faced by many distressed transit agencies in meeting operating costs during these tough economic times. The fact is some of our public transit agencies need help addressing their operating shortfalls in the short run. As Secretary LaHood has mentioned several times, there is no point in using Federal dollars to buy brand spanking new buses for transit systems if they cannot afford to pay the drivers to put those buses into service. We are proposing assistance that would be targeted and temporary, aimed at economically distressed urbanized areas with 200,000 or more in population, and phased out over 3 years.

Even in a year when the Recovery Act boosted Federal funding for transit by 80 percent, we still saw service reductions to the public because of downturns in State and local revenues. The Administration is determined to address this issue with our eyes wide open so that transit systems and service to the public are not reduced.

The Administration also supports streamlining and consolidating some of our core transit assistance programs. It goes to the heart of, I think, what Senator Shelby was talking about in terms of getting more efficiency and getting rid of duplication in our programs. Reauthorization is an opportunity to do just that, and our policy proposal would transform the New Starts program into a more streamlined process for funding the construction of new projects. The goal is to create more jobs quickly, complete projects faster, and provide transit users with real transportation options sooner rather than later.

Similarly, we propose consolidating programs that would particularly ease the administrative burden now placed on many of our smaller and rural transit operators that are short on staff resources and have a hard time putting their relatively small formula apportionments to use in a manner that maximizes benefits to the public.

Finally, we are proposing changes to the contracting laws governing FTA programs to maximize the employment benefits that occur as a result of taxpayer investments in public transit. At

present, the Buy America rules for FTA investments dictate that 60 percent of transit vehicles and vehicle prototypes purchased with FTA dollars must occur in the United States.

The Obama administration is proposing to phase in a standard that will require 100 percent of such vehicles and components be produced in the United States. This standard would increase 10 percent per year until we reach 100 percent domestic content in 2016. This will allow vehicle manufacturers the opportunity to partner with U.S. vendors and the time to relocate manufacturing activities within the United States. It will also ensure that the highest-value design and engineering jobs associated with these taxpayer investments are located right here in the United States.

Mr. Chairman, this concludes my testimony. I look forward to answering your questions through Q&A. Thank you.

Chairman JOHNSON. Thank you for your testimony.

As we begin questioning the witness, I will ask the clerk to put 5 minutes on the clock for each Member's questions.

Mr. Rogoff, given the Administration's interest in helping transit systems bring their vehicles and infrastructure up to a state of good repair, can transit agencies make progress toward that goal and other important goals like improving safety if the Federal role in transportation and the level of Federal investment and transit is diminished in any way?

Mr. ROGOFF. I would say no, Mr. Chairman. We have proposed an ambitious growth path for funding specifically for state of good repair because, you know, our studies indicate not only a \$50 billion deferred maintenance backlog in those seven rail systems I spoke of, but a \$78 billion backlog across the entire industry.

This cannot just be a Federal burden. All of municipal government, State government, Federal Government I think needs to step up to address this problem, and if we do not, we run the very real risk of losing the handle and losing ridership at a time when we should be seeking more ridership given where gas prices are heading.

Chairman JOHNSON. The concept that multiyear funding is critical to building and maintaining public transportation systems is well documented. It does not matter if you are a small agency or a large one. To plan investments effectively, you need to know what funds will be available. In the 1990s, Congress established protections in the budget process to ensure that funds authorized were delivered. Those guarantees have broken down, and in this period of multiple extensions, agencies have been even less certain about future funding.

Mr. Rogoff, is uncertainty delaying critical investments at agencies? Are we falling further behind in upgrading aging facilities and vehicles?

Mr. ROGOFF. Well, I would not say that we are necessarily falling behind at the current moment because we still have a lot of Recovery Act money that is in the hands of agencies. A lot of that surge in Recovery Act spending did some very positive things, not only in creating jobs and maintaining jobs, but also allowing transit agencies to bite off some of those projects that were just very hard to cobble together enough money for—major bus maintenance fa-

cilities. And I should say last year we also competed a chunk of discretionary bus monies specifically for state of good repair.

That said, over the long term, your point is well taken, and that is, uncertainty not only as it relates to the stream of Federal funds but uncertainty as it relates to State and local funds is putting a damper on investment, and without some kind of certainty, it is very difficult for transit agencies to decide to bite off and launch forward and make those major investments, whether it is an expansion of their system or just necessary maintenance of their current system.

Chairman JOHNSON. The Committee has followed the Administration's efforts to speed project development in the New Starts program. We will be looking closely at ideas to eliminate steps in the process that duplicate environmental review and planning requirements, and we will look for opportunities to reduce the number of formal approvals that can leave a project in limbo.

Under our reformed New Starts process, will the level of project analysis be any less rigorous?

Mr. ROGOFF. I would not say it would be less rigorous, but it is certainly our goal to expedite it. We have found that the amount of time that it takes to get a project from beginning to end in some ways endangers that project, because when you have a critical mass of local support and local funding to match the Federal funding, that local commitment also has a shelf life. And if the project approval process takes too long, we run the risk of losing the local support.

We have a number of proposals before you that would eliminate two separate alternatives analysis proposals. I think it goes to the heart of what Senator Shelby was talking about as it relates to duplication. Right now we have one alternatives analysis proposal that is required under NEPA. We have a slightly different alternatives analysis proposal that is required for the FTA, and that duplication is just eating time. It is spending money on consultants that we do not need, and it is something that we can do in concert with one another.

Similarly, our proposals anticipate that we would eliminate one of the major approval processes. Rather than separately admit projects into preliminary engineering and then in final design, we would do that approval process just once and in so doing I think get rid of a good chunk of the bureaucratic time that gets eaten up in program reviews and get these projects deployed more quickly.

Chairman JOHNSON. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

The Administration's budget, as I understand it, proposes a 128-percent increase in funding for public transportation. This translates into \$119 billion over a 6-year authorization bill. How does the Administration intend to fund this proposal given the constraints on the trust fund?

Mr. ROGOFF. Well, as was the case not only for the public transit piece but also for the highway piece, the Administration has signaled its very strong willingness to sit with the Congress and work out those funding proposals soon. There is no question that we need to come together on a bipartisan basis, both——

Senator SHELBY. It is still a lot of money, is it not?

Mr. ROGOFF. It is, and we think it is merited, especially given the trends that we are seeing in issues like the state of good repair challenge and some of the issues that Senator Tester—

Senator SHELBY. Where is it going to come from?

Mr. ROGOFF. Well, there are a lot of options that have been talked about, but I think the most important thing where we are going to make progress is to have that dialog between the Administration and the Congress and figure out what mix of resources is going to get us to these funding levels.

Senator SHELBY. I am also concerned that we continue to make investments—and I mentioned this in my opening statement—in infrastructure without any state of good repair requirement. For example, there is a significant maintenance backlog for rail transit systems, yet these same systems have received billions of Federal funding for new projects.

Does the Administration believe that the Federal Government should continue to make investments in new or expanded fixed guideway systems without a state of good repair requirement? What in your view can be done to ensure that infrastructure assets are adequately maintained here?

Mr. ROGOFF. Well, we are doing a number of things—

Senator SHELBY. And is it as big a problem as I think it is?

Mr. ROGOFF. I think for certain cities it most definitely is.

Senator SHELBY. OK.

Mr. ROGOFF. While I would just as soon not identify them by name, I would say this: In our State of Good Repair Initiative that we have put forward, we do have a process by which we intend to monitor the asset management efforts of all these agencies.

Senator SHELBY. And what does that mean by monitoring? I know that is like oversight, but—

Mr. ROGOFF. Well, what we will be doing is right now—

Senator SHELBY. —are you deeply involved in what they are doing?

Mr. ROGOFF. Well, they will be reporting to us through the national transit database to which they submit annual reports currently under law what the condition of their assets are. And if we are not seeing them—if we are giving them money as part of this State of Good Repair program and we are not seeing any progress in buying down their state of good repair backlog, we are going to know there is a problem, and we are going to talk to them about it.

Now, you asked another question, and that is as it relates to the New Starts program and whether we should be expanding the footprint of these agencies when we know they are not adequately investing in their current footprint.

Senator SHELBY. That is right.

Mr. ROGOFF. I have spoken publicly about that before, and it is a source of great concern for me.

I will say we are putting some threshold tests in approving projects through the New Starts process where they do need to demonstrate to us that they have the adequate funding stream to maintain their current system. I will mention one by name because this is all on the record. The Third Street Project in San Francisco is a very important expansion in rail for the Muni system, but we

also know that the Muni system is struggling to be adequately capitalized. And as part of our discussions about advancing that project, we are simultaneously monitoring their budgets for their state of good repair.

Senator SHELBY. Good. I know Senator Bennet from Colorado is here. He might get into this, too, but I will proceed. SAFETEA included a public-private partnership pilot program for public transportation. The program's goal of encouraging innovative financing and speeding project delivery through the program has not been achieved, I believe. In fact, the one surviving project, the Denver Eagle P3 Project, is still awaiting its full funding grant agreement despite having attracted a significant amount of private financing.

Some of us are concerned that FTA is inflexible here with regard to the New Starts process and that inflexibility has caused the program to be ineffective and may have scared off potential private investors, which we do not need to do.

Could you comment on the lessons you have learned from the Denver project? And how could the process be changed to achieve true streamlining for the partnership between private and public money? Because we are going to need it in the future, are we not?

Mr. ROGOFF. Yes, sir. I mean, public-private partnerships do hold promise in transit projects, and you are correct that the Denver Eagle projects has been not only our most successful example, but frankly, the only example in that—

Senator SHELBY. It is the only one you have, is it not?

Mr. ROGOFF. That is right. There were three projects as part of that so-called Penta-P private-public partnership program—

Senator SHELBY. What happened to the others—

Mr. ROGOFF. Well, I would tell you, sir, that I do not believe your characterization is necessarily accurate, that those other projects fell apart because of the FTA process.

Senator SHELBY. Mm-hmm.

Mr. ROGOFF. I think those other projects fell apart because of what happened in the markets—

Senator SHELBY. OK.

Mr. ROGOFF. —and this Committee knows that dynamic better than anyone.

Senator SHELBY. The economy took a toll—

Mr. ROGOFF. Yes, sir, and what we saw was that the private participants and the other two that were supposed to be participants in the financing of the other two projects, both in Houston and in Oakland, left the building. While I agree that FTA needs to do a better job of deploying its projects more quickly, I think those challenges are addressed in the policy proposals before you that we have to streamline the New Starts process.

You were asking an interesting question, and that is do we need a different process for public-private partnerships, and that is a good one that I think we should look at, because—

Senator SHELBY. Are you looking at a possible different configuration?

Mr. ROGOFF. Well, we are looking at a different configuration for all of our New Start projects. I would say, you know, I do not think Denver has necessarily suffered. We have signed probably one of the largest letters of no prejudice so part of the Denver project

could get under construction already, and we look forward to signing a full funding grant agreement to nail down our contribution within the next 45 days, I believe. So they are making good progress in Denver, but you are right that we should be looking at our processes to make sure that we are not scaring away the private sector.

Senator SHELBY. Thank you, Mr. Chairman.

Chairman JOHNSON. Senator Reed.

Senator REED. Thank you very much, Mr. Chairman, and again, thank you, Mr. Rogoff, for your great leadership.

We are in an economic downturn and the question that a lot of Rhode Island transit officials ask me about is not capital, but operating relief—

Mr. ROGOFF. Sure.

Senator REED. —and I wonder if there is any thought to provide on a temporary basis access to some Federal resources for operating relief to avoid cancellation of routes and fare increases.

Mr. ROGOFF. There is, and as I said in my opening statement, we do have a proposal before you to extend operating assistance on a temporary and targeted basis. The way this program would work would be that of the formula funds that your transit operators can receive—this really, I should first point out, only applies to transit operators in communities of 200,000 or more. Communities smaller than that can use any amount of their Federal funds for operations that they care to.

But for those at 200,000 or more, we have said that they could use in the first year 25 percent of their—up to 25 percent of their funding for direct operating costs, declining to 15 percent in the second year, 10 percent the third, and then zero. The idea is to really—our sole focus here is preserving service, especially given what is happening with gas prices. We are not comforted by service reductions, especially when ridership is increasing.

I think in the economic—at the beginning of the recession, we saw service reductions, and I think some general managers will tell you they took off maybe some of the lesser-used service. Now, we are running the risk of losing some service that is really essential to significant cohorts of the population, and, therefore, we have put forward a proposal on a temporary and targeted basis, targeted on communities that have had significant unemployment, like Rhode Island, that could address this issue at least on a temporary basis.

Senator REED. Thank you very much. In a similar vein in terms of flexibility of funds, there is actually authority for the State DOT to flex some of their funds to assist our RIPTA, which is a State-wide bus system, and they have used it essentially to buy hybrid electric buses. What impact has this flexing authority had on transit investment nationwide? Has it helped or is it kind of spotty?

Mr. ROGOFF. No, I would say it has helped it quite a bit. I mean, if you look over the life of the SAFETEA-LU law, States at their own discretion have flexed over \$6 billion over to transit, an average of more than \$1 billion a year. That effectively means that the Federal Transit Administration investments have been augmented a full 10 percent or more each year by States choosing to flex some of their highway funds, either from the STP Program or CMAT Program, over to transit, and some of our real game-changing in-

vestments have occurred because they have been able to put together the FTA contribution with some flexed highway dollars. Even in the Recovery Act, we saw more than \$460 million of highway funds flexed to transit.

So it is clearly a choice that local stakeholders and Governors like to have. It is spotty in this respect, in that not all States have done it, but the fact is that a great many States have and it is an important proposal. And in our policy proposals, again, this has been sent to the Public Works Committee, but in the proposals that we have sent over there, there is a change to the flexing provision that would come out of the so-called Highway Livability Program. But it will remain an important tool that transit agencies are going to need.

Senator REED. Just a final quick question. Senator Tester has pointed out how his State of Montana relies on buses.

Mr. ROGOFF. Right.

Senator REED. Another big State in the country, Rhode Island, relies on buses. And a lot of the transit orientation was on rail or subway, *et cetera*. And so the question is, will your proposals continue to support the Statewide buses, or regional buses in the case of Montana, and also particularly with respect to the State of Good Repair, the kind of deferred maintenance, which is another huge challenge? I just have a few seconds.

Mr. ROGOFF. Yes. I want to make clear that our State of Good Repair Initiative definitely incorporates systems like RIPTA so they can stay on top of their maintenance facilities, so they can make sure that they have a modern fleet. And the reality is, while we talk a good bit about rail systems, the majority of transit trips in America today are still taken by bus and we have not lost our focus there.

Senator REED. Thank you very much. Thank you, Mr. Chairman.

Chairman JOHNSON. Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

Administrator Rogoff, I want to thank you publicly, you and Secretary LaHood, for taking the time to come to Hawaii in March to meet with me and other members of the delegation on a wide variety of transportation projects throughout our State. I appreciate all of the work that you have done and the clarity you promoted over the years on the Honolulu High Capacity Rail Project.

Can you discuss the Federal funding commitment to the Honolulu Rail Project and what benefits expanded transit funding could have for projects across the Nation?

Mr. ROGOFF. Well, sure. As you pointed out in your opening statement, Senator, I think, and in information that is a surprise to a great many Americans, Honolulu and Oahu, in particular, has some of the most punishing congestion in the United States, and the Honolulu Rail Project, obviously, is something that we support quite strongly. This project has taken a long time to get off the ground, as you know. It has sort of been derailed twice before, and the only thing that has happened is the congestion on H-1 has gotten even worse. As was also pointed out, there is a good bus network in and on Oahu, but the reality is, when you have got a congested road network, there is only so much you could accomplish with buses.

So we, in our budget for 2012, have proposed \$250 million specifically for the Honolulu Rail Project and we are hopeful of admitting that project into final design. We are currently reviewing their financial plan. We did recently conclude a risk assessment, where we found that the risk was actually under control and the local authority's proposal to lower the cost estimate was reasonable based on how much of the project they have gotten under contract.

So this is the kind of project that will really be about traditional congestion relief. It will be about getting working people from the West side of Oahu over to the east side and home in time to see their kids when they are awake, and it mirrors a lot of what can be accomplished elsewhere in the country.

Senator AKAKA. Thank you. Administrator Rogoff, can you please describe how the FTA, working with State and local governments to ensure that costs for projects like the Honolulu Rail Project are managed effectively?

Mr. ROGOFF. Well, our involvement with a project does not end when we sign a full-funding grant agreement. What we then do as the project is in construction is have what is called a PMOC, Project Management Oversight Consultant, onsite, observing construction patterns, keeping a monitor on costs, working to make sure that the project comes in on time and on budget, and when we see them going off that curve, we have some conversations about how we can get an improvement plan or a project management plan in place to keep the project on time and on budget. Our methods are not always perfect, but we have had steady improvements in terms of the number of projects that are coming in and on budget over the years.

Senator AKAKA. Thank you. Administrator, bus operations on Maui, Kawaii, and Hawaii Island are some of the fastest growing bus transportation systems in America. However, they are relatively small in terms of the number of buses operated. In the past, the Congress assisted in funding the capital costs of many of these fast growing bus transportation systems through the bus and bus facilities programs. What other programs could our rural bus operators use for capital assistance for their rapidly expanding operations?

Mr. ROGOFF. Well, there are a few. As I mentioned to Senator Reed, our State of Good Repair Program will help them make sure that they have the funding to replace their fleet, and those projects—I have had the opportunity to visit the bus provider on Maui and you are correct that they are one of the fastest growing players in the country. And when you are trying to provide mobility around an island that just has a perimeter road and you have gas prices the highest in the Nation, as you pointed out, those bus services are very critical.

Now, in addition to the State of Good Repair Program for fleet replacement, we are proposing substantial growth as part of our policy proposals for the bus facility program, and our support under that program would grow as quickly for rural communities as it would for urban communities, and therefore, the outer islands would get the benefits of that growth, as well.

Senator AKAKA. Thank you very much. Thank you, Mr. Chairman.

Chairman JOHNSON. Senator Tester.

Senator TESTER. Thank you, Mr. Chairman, and once again, thank you for being here, Chairman Rogoff.

In my opening statement, I talked about the Department's commitment to rural America and what can be done there. There are many towns, as I said earlier, that have no public transportation. They have no access to getting folks to doctors, as an example. What is the Administration plan for that? Is it to just leave it the way it is, or is there going to be some opportunity to work with local governments to deal with buses, vans, those kind of things?

Mr. ROGOFF. Well, let me say, as I mentioned while you were out of the room, sir, we are looking to substantially boost funding for rural transit. As you know, funding for rural transit more than doubled under the SAFETEA-LU Program and we want to continue that progress.

I think there are huge opportunities specifically in one area that you cited, and that is dealing with what we refer to as medical transportation and getting people to the doctor, getting—you discussed the need of veterans in Montana. I will tell you, we have had a number of fruitful conversations recently with HHS and the VA and DOD on how we can better address that, and you will be hearing more about that in the future.

I think, importantly, in the area of medical transportation, this is not just a mobility investment. We save the taxpayer a lot of money, a lot of money in the Medicare and Medicaid programs, when we can keep people living in their homes and providing the necessary transportation to get to even those distant medical visits. And also, high gas prices impact everybody.

Senator TESTER. Yes.

Mr. ROGOFF. So we are trying to do a lot to put mobility managers, to get sort of out into the field to get the maximum utility out of the vans that are out there.

Senator TESTER. Flexibility in discretionary ability is very, very important. Let me just give you an example. Two weeks ago, I was in the center of the State of Montana. They have Essential Air Service, but oftentimes that gets—even Essential Air Service is too pricey for what we want to have happen. They want to set up or at least get connected in with a bus system or a van system. They think they have the ridership to support it. How do they do it?

Mr. ROGOFF. Well, right now, as part of our policy proposals, we would require agencies to continue to spend 15 percent of their funding on intercity bus—

Senator TESTER. This is connecting between towns.

Mr. ROGOFF. Right. That is right. And that is why I say intercity.

Senator TESTER. OK. I have got you.

Mr. ROGOFF. And a lot of the challenge there is in enticing an operator to the table. But we can help subsidize those operations, and I would agree with you that in a number of communities, the Essential Air Service Program does not necessarily meet all of the mobility needs at all income levels for those communities.

So when I was first confirmed by this Committee, sir, we talked about my coming out to Montana, and if I could host a meeting out there and sort of try to bring the players together, I would love to do it.

Senator TESTER. OK. Thank you. Thank you, Mr. Chairman.

Chairman JOHNSON. Senator Bennet.

Senator BENNET. Thank you, Mr. Chairman.

Thank you, Mr. Rogoff, for your testimony, and I also want to thank the Ranking Member for highlighting the project in Denver and I appreciate the conversations we have had about that project as well as the Roaring Fork Valley and other things across the State.

I heard in the answer to the Ranking Member that you hoped that you would be signing the full funding grant agreement with the folks in Denver in the next 45 days. Is that—that is on track?

Mr. ROGOFF. Well, it is on track. We sent out—we are at the last hurdle, and namely, that is the required 60-day review period for—we have transmitted the full funding grant agreement to this Committee and the Appropriations Committees for 60 days' review. That is required under law. I would point out, we are asking the Committee's defence, and among our policy proposals is that that period be shrunk to 30 days, again, in the interest of moving projects more quickly. But once that is complete, which I believe should be early June—excuse me, early July, right at the end of June, early July, we should be in a position to sign the full funding grant agreement.

Senator BENNET. Great. I appreciate that very much.

You know, one of the things over the last couple of years we have talked about in town halls in Colorado—and when I am saying “we,” I do not mean me, I mean the people that come to my town halls—there is a lot of focus on our debt and our deficit, as there should be. We have to fix this. We have got to straighten this out. But when you think about it, the situation is actually much more grave than just the \$1.5 trillion deficit we have, the \$15 trillion debt, and that is that as a generation, we have not bothered even to maintain the assets that our parents and grandparents built for us, much less build the infrastructure we are going to need in the 21st century.

So I am encouraged by the fact that the Administration has included the idea of an Infrastructure Bank in its budget. I wonder if you would talk a little bit about what that financing structure would look like, how we can maximize it. Some days, I drive around our State and the roads have been smashed into smithereens. The transit lines are not doing what they need to do. We need to do better than that, and maybe this is one mechanism for helping.

Mr. ROGOFF. Yes, sir. We are strong supporters of an Infrastructure Bank, not obviously just to get to the transit challenge, but also to look at major highway bridges and other entities like that. I talked earlier with Senator Shelby about the impact on private financing. When the markets collapsed, that was a big game changer for some of our credit assistance programs at DOT. When I worked for the Appropriations Committee, and even in a period when Senator Shelby chaired that subcommittee, we would rescind some of the money that was available in the so-called TIFIA Program because it was undersubscribed. That is a credit assistance program for a number of different investments, highway or transit. Now, the TIFIA program is way oversubscribed, in part because of

the importance of having some kind of Federal loan guarantee or Federal loan to augment private financing.

The President is a very strong supporter of an Infrastructure Bank. In fact, he was a cosponsor of a proposal when he was here in the Senate. And we think that given the increased volume that we have with the RRIF Loan Program in the FRA, the TIFIA Program, which is really run out of the Secretary's office, and the increasing number of applications we are getting that can bring private investment to bear in partnership with public investments, we think there is huge potential there, and we have a multibillion Infrastructure Bank proposal as part of our policy proposals here in the Congress.

Senator BENNET. I would look forward to working with you on that, and I would say, in the context of your answer to Senator Tester, who I align myself completely with his observations about the importance of transit in rural Colorado as well as Montana, that the bank may be a place, also, where we can encourage further regional collaboration and approaches, transit-oriented development, transit itself, and I hope that we are thinking about that as we design the financing mechanism.

The last thing I just wanted to go back to is something in your testimony. You mentioned the importance of passing the transit safety bill, and we did pass that bill in this Committee last year. It did not pass the Senate. As you know, and we talked about this earlier, with your help, we are expanding our light rail system in Denver and new commuter rail service out to Denver International Airport. In the absence of passing this safety bill, if we do not do it, who is it that is going to—where is the oversight going to come from for projects like this?

Mr. ROGOFF. Well, I have got to tell you, sir, Denver really points up the absurdity of the *status quo* when it comes to Federal rail safety oversight, because as you pointed out, you are simultaneously expanding a light rail system and you are building commuter rail out to the airport. They are all going to converge at Denver Union Station. Without any change in the law, at Denver Union Station, you are going to have the Federal Railroad Administration, who has hundreds of inspectors and a very lengthy regulation, which I should say we do not want to duplicate but we do want to have some regulatory authority—at Denver Union Station, you are going to have Amtrak coming in and your commuter rail coming in and they will be inspected by the FRA. And on one track over, you are going to have light rail, the oversight of which is left to a State agency with one, maybe two employees, very underfunded, very undercapitalized, with very little expertise.

It is identical to the situation we had at the site of the Fort Totten crash at Washington Metro. You had an Amtrak line. You had the MARC commuter rail line. And you had the Washington Metro line. And there was voluminous Federal oversight on two of those tracks, and on the third track, there was close to nothing, and that is the *status quo* we have and it really is not defensible.

Senator BENNET. Well, I appreciate your testimony.

Thank you, Mr. Chairman.

Chairman JOHNSON. Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Mr. Chairman, I have a statement that I would like to include for the record.

Mr. Administrator, I appreciate what you said earlier with reference to creating some flexibility on the emergency operating assistance. You know, we see that at a time of economic crisis and \$4 a gallon gas that ridership on public transportation systems have increased, and at the same time, many agencies, including New Jersey Transit, have either raised fees or cut service. So I appreciate, hopefully, that element of helping out in this time period be actually pursued vigorously, because otherwise, we are going to undermine the very essence of the systems we already have.

I am wondering, older, well-established systems have been running for years, often have high ridership and are operating at or beyond capacity. How do you think we can best address these capital-intensive projects to expand capacity, because we already have a proven system that is working and has ridership? They do not seem to fit in the New Starts Program systems and they do not have enough formula funds to address this, either.

Mr. ROGOFF. Well, I would say that that is certainly true. Perhaps in the current funding trajectory, a rail-heavy system like New Jersey Transit that obviously runs both buses and rail, I think our proposed 300-percent increase into 2012 for State of Good Repair investment would really help them tackle some of their major maintenance efforts that they need to undertake and thus, hopefully, free up dollars for expansion.

We are committed to both, because, obviously, the President's goals of lowering our dependence on oil, lowering greenhouse gas emissions, we want to see transit ridership grow, but we want it on projects that are safe and well capitalized.

So I think when you look at a proposal to substantially increase our investment, the numbers that Senator Shelby pointed out earlier, in public transit, if we have an adequate partner in New Jersey Transit, we can make progress on expansion.

Senator MENENDEZ. Now, an adequate partner. What does that mean?

Mr. ROGOFF. A partner that is putting more skin in the game, just as the Federal Government would.

Senator MENENDEZ. Let me ask you, there seems to be some consensus that reauthorization should establish goals for the national program and that State, regional, and local performance measures should be tied to those goals. But when we start discussing just what those goals or measures should be, things get a lot more controversial. Do you have any specific proposals for national transit goals or local performance measures?

Mr. ROGOFF. Well, we are supportive of performance measures. Let me point out one that I discussed a little bit earlier with Senator Shelby, and that was in our State of Good Repair Program, we want to do a much more aggressive oversight and reporting system to actually monitor that the funding that we are putting out for State of Good Repair is actually going to buying down that backlog. That would be, if you will, the reporting of that data and monitoring of that data would be a condition of receiving the assistance, because we really—it sort of goes a little bit to what Senator Shelby was speaking to, and that is if we just sort of put the money

out there without a lot of oversight, you could get into a situation where you have put out a great deal more money in the name of State of Good Repair, and 5, 10, 15 years down the road, you have not really made any progress.

And an important key to that is something we are very big supporters of, and that is an asset management program. We have some transit agencies that know where all their assets are and do a very good job of monitoring their condition and some that really have not a clue where all their assets are and do a very poor job. If they are going to spend the Federal money wisely or their own money wisely, they need to know what their greatest vulnerability is, what the most critical investment is, and take them on in order, and we want to help them monitor that situation.

Senator MENENDEZ. Well, in terms of making sure—my last question—your assets are well positioned and that you are maximizing the systems that you have, as we face higher gas prices, transit agencies see higher demand, but they also see higher fuel prices, as well.

Mr. ROGOFF. That is right.

Senator MENENDEZ. What is FTA doing to help agencies invest in vehicles that do not run on diesel or gasoline?

Mr. ROGOFF. Quite a lot. You know, you pointed out, we talk about the gasoline price spiking up to potentially getting to its 2008 high. The reality is that the diesel price has already exceeded its 2008 high and transit agencies must pay that diesel price. As I pointed out earlier, the majority of transit trips in America are still taken by bus.

We, through our discretionary bus allocations, our Clean Fuels Bus Program, even the dollars that were used through the State of Good Repair Bus Program, bought a lot of clean fuel vehicles. The price differential between a diesel bus and a hybrid electric is coming down. I think more transit agencies are cognizant about how many years they will get a payback on those cleaner fuel vehicles. We are not only putting out capital money and more capital money to help modernize the fleet in that way, we are also doing research through our research and innovation group to take the next generation bus to the next level of even cleaner and zero-emission buses eventually.

Senator MENENDEZ. Thank you, Mr. Chairman.

Chairman JOHNSON. Senator Merkley.

Senator MERKLEY. Thank you, Mr. Chair, and thank you, Administrator Rogoff. I came here directly from testifying on an electric vehicle bill, which has a lot to do with reducing oil consumption and improving air quality, and certainly this is an appropriate sequel to that, and thank you for your work.

I wanted to specifically note that the New Starts program would be a key source of funding for a major bottleneck in Oregon and Washington, which is the drawbridge on the I-5 corridor, a major freight corridor, a major passenger transportation corridor, and also an obstruction to extending transit to the full metropolitan area, which extends across the Columbia River. This is terms the Columbia River Crossing, and I think you have probably heard about it, but I wanted to make sure.

Mr. ROGOFF. Well, yes, not only have we heard about it, obviously I have participated in conference calls with the Secretary and Governor Kitzhaber and Governor Gregoire about moving this project forward. It is identified in our 2012 budget as a project in preliminary engineering that could participate in an envelope of about \$400 million with three or four other projects that are in preliminary engineering.

We are very big supporters of this project because it really does a lot of the things that meet Administration goals. It really addresses a critical bottleneck on the interstate system, and clearly, when it comes to highways, our principal obligation needs to be to the interstate system.

It will provide rail transit access from Vancouver, Washington, to Portland, something that has been talked about for decades but has not been accomplished. There will be a bike and pedestrian option, which is an increasingly popular method of transport in that region. So, yes, we think on so many fronts that the Columbia River Crossing needs to move forward.

Senator MERKLEY. Thank you. It is music to my ears, and I look forward to working with you on this critical infrastructure piece.

One thing that has come out in the context of that conversation are some of the hurdles in the New Starts application process, and you have been talking about streamlining that process, and I want to applaud you for that effort.

One of the things that the folks have shared are things such as additional planning pieces such as fleet management plans that have gone along with that that are an important part of the transportation puzzle but not necessarily bearing directly on the project itself. Is that the sort of thing that you are thinking about in terms of the streamlining?

Mr. ROGOFF. Our principal goals in streamlining are eliminating duplication and also recognizing where you have—part of the problem with our whole New Starts process is it is currently one size fits all, and for a brand-new city that is trying to deploy a rail project for the first time, they need a much different Federal interface than probably a Portland Tri-Met that is building its sixth through seventh extension or a system like Salt Lake, the UTA in Salt Lake, that has brought in a number of projects on time and under budget routinely. And what we are trying to do is fashion our program to recognize the difference between grantees. A lot of people complain about how long it takes some of these projects to move from one process to the other. We certainly recognize that we can make progress at the FTA, and we have policies before you to do that. But, importantly, we also need to recognize that transit agencies, some of them are on a real growth curve in getting their own expertise on how to launch some of these projects, and if we want that project to come in on time and on budget, they are going to need some oversight. And they sometimes are going to need to be sent back to the drawing board.

So when we talk about streamlining the New Starts process, I say it is in part about streamlining the New Starts decision process, not the New Starts approval process, because sometimes that decision is going to have to be no, especially for new grantees that

really need to build their own internal technical capacity before they build a rail project.

Senator MERKLEY. Thank you, and I am glad you are working on that, and I will continue to provide feedback from folks back home as they have suggestions.

In my closing seconds here, I wanted to note that I appreciate your support of performance-based planning. I have a bit broader version of that called the Strategic Planning Act of 2011 that creates a baseline of transportation performance metrics, including congestion, goods movement, safety, public health, cost to the taxpayer, and so forth, and implements scenario-based planning and a study of the scenario-based planning and the impacts it has had on reducing the costs of projects, which are enormous, projects across the country from Texas and Utah, New Mexico, California, Tennessee, and so forth. So I just wanted to mention that I look forward to being in dialog about perhaps even a bit more ambitious version of performance-based planning.

Mr. ROGOFF. Well, you have hit on something that I think needs to be amplified about, you know, we have our livability agenda and a livability program in our reauthorization recommendations. But you hit on something that is not often talked about, and that is, how the livability agenda saves taxpayers money. We do not talk enough about the fact that when you coordinate these investments, especially in things like transit and affordable housing, in which you have your background, that just tearing up the street once to put in the affordable housing and making sure that there is affordable housing adjacent to a new transit improvement saves the taxpayer money. It is a far cry better than when we build the transit improvement we have the gentrification effect where the affordable housing goes away, and then the taxpayers have to pay yet again to create affordable housing somewhere else, and then those people need transit.

So there really is some considerable cost savings to be achieved through just coordinated planning, and while I have not looked at your bill, I would be happy to do so. And we have some experts at the FTA on scenario planning that I would be happy to bring up and have a dialog with you on that.

Senator MERKLEY. Thank you. That would be superb.

Thank you, Mr. Chair.

Chairman JOHNSON. Thank you, Peter, and you may be excused.

Due to a previously scheduled meeting, I will be passing the gavel to Senator Menendez. I appreciate both panels' attendance at this hearing and look forward to continuing this important conversation.

The second panel, please take your seats, and, Senator Menendez, thank you for taking the gavel.

Senator MENENDEZ [presiding]. Thank you, Mr. Chairman. Let me, as they come, introduce the second panel.

We will hear from William Millar, who is the able leader of the American Public Transportation Association. Bill has been a great advocate for transit, and we are going to be sad to see him leave the APTA later this year.

Next we will hear from Dale Marsico, who is the executive director of the Community Transportation Association of America, and

he has worked to broaden support for community and public transportation.

Then we will hear from Larry Hanley, the international president of the Amalgamated Transit Union. Larry has spent much of his life working in different positions within transportation in New York and being an advocate.

And, finally, the Committee will hear from JayEtta Hecker, the director of transportation advocacy at the Bipartisan Policy Center, and she has spent much of her career in Federal public service in the legislative and executive branches.

So let me welcome you all. In the order that I introduced you, let me invite you to deliver 5-minute—summarize your testimony in 5 minutes. Your full statements will be included in the record, and with that, Mr. Millar, you are up.

STATEMENT OF WILLIAM W. MILLAR, PRESIDENT, AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

Mr. MILLAR. Thank you, Mr. Chairman, and I appreciate those nice personal comments as well.

On behalf of the American Public Transportation Association and its 1,500 members, it is my pleasure to appear again before this Committee. We thank you for your strong leadership and investments in transportation and transit in particular in the past, and we look forward to working with you as you seek to enact, we hope, a well-funded, 6-year, multimodal surface transportation bill. This would be one of the most important things the Congress could do to create jobs, to provide access to jobs, and to provide infrastructure that will serve a healthy and growing economy as well as our future population growth.

Now, we recognize there are many challenges in achieving this, but we cannot overstate the need for a well-funded, 6-year bill now. Multiple short-term extensions of the law do not serve the Nation well. Transit system and State DOTs with multiyear capital budgets and agencies who implement multiyear projects must have reliable, predictable funding if they are to deliver these projects on time and in an efficient fashion.

The private sector businesses who work in the transportation industry cannot and will not build new plants, they will not hire new workers, if the uncertainty about the availability of funding continues. Further, these businesses may be forced to lay off existing employees, and we have seen some businesses shift their investment overseas where other countries are making much more significant contributions to transit investment.

Recent reports have shown that the United States is falling well behind economic competitors such as Brazil, China, India, and our traditional friends and competitors in Europe in terms of expanding and keeping infrastructure up to date. So despite the well-documented fiscal challenges the Federal Government faces, the Federal Government must be a strong partner in meeting the infrastructure needs.

Now, proposals to reduce the Federal investment in transportation infrastructure and particularly public transit at this time are extremely shortsighted. These are investments that will pay off not only now but for many decades to come. And the U.S. Depart-

ment of Transportation has cited some \$78 billion that needed to be invested just to bring transit up to a state of good repair. Other studies have shown that about \$60 billion a year annually should be made available from all sources, not just the Federal source, to maintain existing systems, to expand those systems, because we are going to need it. Our future is to be a growing country with a growing economy. We must meet those needs.

Earlier the Committee spoke about high gas prices, and certainly we have all seen now gas prices beyond \$4 a gallon, some places in the country \$5 a gallon. We expect this year about 2 million more Americans per day—per day—to use public transit because it is one of the quickest ways that they can avoid the high cost of gasoline. If the pump price continues to rise, we expect millions more Americans who never thought they would need public transit to need public transit—again, showing the need for the investment.

Now, we know that transit not only is good for all the reasons I have mentioned, but it also provides jobs. For every \$1 billion invested through the Federal transit program, some 36,000 jobs are created and maintained. APTA has recommended that Congress authorize the investment of \$123 billion over the next 6 years. The President's budget has suggested \$119 billion. That would be fine with us as well.

We need to make sure that there is a good, solid source of revenue behind this, and to provide this, we believe it is time to update the Federal fuel tax. It was last raised in 1993. To have that purchasing power replaced, we think it needs to be indexed for the future, but we think there are other ideas out there that are necessary as well.

My written testimony talks about the need for public-private partnerships. However, I must caution our experience in transit has been not only these are hard to do, but they are often financing mechanisms. They do not really bring new money to the table. And so we have many suggestions for the Congress on how we can improve that situation.

I realize I am coming to the end of my time so I will just refer the Committee to my written testimony. I would be happy to answer any questions. Suffice it to say that we need to have significant more investment in all forms of public transportation to meet the multiplicity of needs of our Nation, as the Senators have discussed with the first panel today.

Thank you

Senator MENENDEZ. Thank you.

Mr. Marsico.

**STATEMENT OF DALE J. MARSICO, EXECUTIVE DIRECTOR,
COMMUNITY TRANSPORTATION ASSOCIATION OF AMERICA**

Mr. MARSICO. Thank you, Mr. Chairman. I appreciate your invitation to be here as well. The Community Transportation Association of America represents 4,000 members that provide public and community transportation around the United States. Although our members provide public transportation in what we might call traditional transit communities, many of our members, thanks to our Nation's rural public transit program, can be found providing

transportation in what some people might assume to be unexpected locations.

Today, rural public transit can be found providing innovative mobility in communities that stretch from the Arctic Circle to the Rio Grande, from the smallest communities on the Atlantic coast across Middle America and the west coast, to Hawaii, all the way to the islands of Guam.

Thanks to the commitments made by this Committee, public transit is completing its mission in communities across the Nation regardless of the size or location so that no matter where you are in America, you have an opportunity to be part of a public transit system.

Just as importantly, SAFETEA-LU provided new emphasis on public transportation that serves tribal communities where the need is as important in public transit as it is anywhere in our country. And across the country, our association has been privileged to work with our partners at the Federal Transit Administration and with tribal communities to build public transit that is accessible to helping people with some of the greatest economic and personal needs in the Nation.

We are privileged to have worked in establishing new and better tribal transportation services not only in places like the Dakotas and Montana, but also in communities in Alaska, North Carolina, Mississippi, New Mexico, Arizona, and in Wisconsin. In all these communities, like their urban and rural and other tribal networks, public transit not only continues to take Americans to work, but it is the essential link to provide millions of Americans with access to health care and other life-sustaining services to all of the American people, but especially to our Nation's seniors.

Public transportation links people not just to the communities in which they live, but also to the communities in which they work, and many Americans are faced with traveling greater distances to seek employment and greater distances to seek health care as more and more of our Nation continues to regionalize. That is another reason why the advances that we have made in SAFETEA-LU, especially in funding, have been so important for the connectivity and the needs of the American people.

Yet our progress is in serious danger today. Because of the success of the past, we have built our programs on partnerships that exist between the Federal Government, State government, local government, and, of course, the people who use our transit systems—the riders.

The Great Recession, as we know it, has severely impacted these services and situations and relationships. Today in rural America, for instance, because of the recession 3.5 million Americans have lost their access to inner-city bus systems. The same is true for growing needs on employment transportation. Every reduction in transportation is a reduction in opportunity.

Just as importantly, we are concerned about the growing need of transportation by our veterans. Estimates from the Department of Veterans Affairs remind us that 40 percent of the veterans in the Afghan and Iraqi wars come from rural communities. We must assure rural transportation's capacity to address these needs now and

in the years ahead, especially as they relate to jobs and health care.

The current economic and energy situations have created a disconnect between rising demand and declining investment that requires action and leadership that has historically come from this Committee and is the only place, we feel, that that leadership can come from today.

Finally, some of the other issues we address in our written testimony call for greater flexibility to meet local needs. We support allowing operating assistance to small communities, medium communities, and large communities. We are particularly concerned about 90 urban communities that will soon face being placed into different rulemaking because of demographic changes. But we also call for new and innovative research to look at the way jobs link to transportation and the future. All these things need to be done in this reauthorization, and they need to be done now.

Like it or not, highways and transit and all forms of mobility remain the infrastructure that is essential to all Americans regardless of where they live. We must find ways to add to that infrastructure and add to that success so that the American people have the connectivity they need to make their lives not just lives that are circling around locations, but also give them the capacity to connect to the bits and pieces that transit pulls together to help Americans in their personal journey toward the American dream.

Thank you, Mr. Chairman, and thank you in particular for your leadership in supporting public transit.

Senator MENENDEZ. Thank you.

President Hanley.

**STATEMENT OF LARRY HANLEY, INTERNATIONAL PRESIDENT,
AMALGAMATED TRANSIT UNION**

Mr. HANLEY. Thank you, Mr. Chairman. Thank you for the opportunity to address through the legislation and through my remarks the issues that are affecting America most deeply today, and by that I mean issues like the environment and climate change, national defense, cutting the use of foreign oil and economic development, getting Americans back to work.

The Amalgamated Transit Union represents 190,000 people in 46 States and in Canada, and we are deeply concerned about a transit crisis that has occurred throughout the United States and is now spreading to Canada over the course of the last 2 years.

We have in the course of the last 2 years seen the steepest fare increases and deepest service cuts in our history. Fifty-six percent of agencies have cut rush hour service in this period of time; 62 percent have slashed off-peak service; 40 percent report reductions in geographic coverage; and there have been about 5,000 layoffs that we can track within the transit industry.

In the past 2 years, in cities like Atlanta, where we have seen entire suburban counties eliminate all their bus service; Chicago, where 14 percent of all the transit service has been eliminated; Cincinnati, Cleveland, Detroit, where already 25 percent of the bus service has been eliminated, and they are planning further cuts; and in Pittsburgh most recently 15 percent of the service was cut on a Monday morning 6 weeks ago, and we have people standing

at bus stops unable to board buses and watching three and four buses pass them during the rush hour as they wait to get to their jobs.

In Oakland, California, entire areas of service in Richmond, which is part of the Oakland system, is currently planned to be eliminated in the course of the next 2 months.

In my own hometown in New York, we have seen service cut that has been running for 100 years. We have watched while, although the Federal Government has stepped up along with the State and city and invested in growth in the subway system, the MTA is currently eliminating bus service in the outer boroughs of New York City that has run, as I said, for 100 years, and people are losing their ability to get around their own city.

There is no slowdown in the cuts. We have upcoming cuts in Salt Lake City, in the Twin Cities; Tacoma, Washington; Birmingham, Alabama; and, of course, in Long Island, where the entire system has been put on the table for elimination.

This is a mobility crisis for transit-dependent Americans. We have in recent visits to Chicago had discussions with the Service Employees Union who have informed us that their own members, as a result of the service cuts in that city, have to sleep on the floors in buildings waiting for bus service to resume after they clean the buildings they work in.

Urban Americans and transit-dependent people are being hurt, but now, with \$4 gas already here and \$5 gas right around the corner, the pain is expanding. More areas are going to be affected by the changes as a result of the census in urbanized areas where populations of more than 200,000 are going to impinge on the ability of these systems to get operating aid. Brand-new buses are sitting idle. Buses that were paid for by stimulus dollars recently were just put in service after sitting for 6 months in Albany, New York, where the system was unable to run the buses that were bought with the Federal funding.

We need increased funding. We support the President's proposals. But we also need to get beyond this question of whether or not we can afford to give operating assistance to transit systems at this time of crisis. So we support generally the President's proposal, but we believe that it needs to be tweaked and changed because there are limitations imposed in the proposal that we think will prevent solving the immediate crisis.

Further delay is not an option. We believe that we need to act immediately to restore the service that has already been cut.

There are additional issues of public safety on transit that have been raised today. As was said, transit is one of the safest ways to travel, but recent accidents have been troubling. We are about to approach the second anniversary of the WMATA crash next month, an accident that should never have happened. Lives were tragically lost due to faulty equipment, and more investment is needed not only in the equipment itself but also, as was stated by Peter Rogoff, to have some supervision of our transit systems in terms of how they safely manage their rail operations.

Also, we are interested in this bill and trying to get some transit workforce development money because although the technology is changing rapidly, virtually nothing is being spent in America on

training transit workers. We need a career ladder program and structures to be put in place to deal with workforce issues, and the ATU supports the Transportation Job Corps Act of 2011. APTA also supports the bill—in this case I am speaking for Bill Millar—but labor and management partnerships, as we see it, are critical to the success of this industry.

So, in summary, we cannot get our economy back on track, we cannot improve the economy and get our people back to work unless the Federal Government steps up and recognizes that there needs to be flexibility in the money you are already spending on transit, and we thank you, Mr. Chairman, for your support of operating aid, and we look forward to working with you to make it happen.

Senator MENENDEZ. Thank you, Mr. President.

Ms. Hecker.

STATEMENT OF JAYETTA Z. HECKER, DIRECTOR OF TRANSPORTATION ADVOCACY, NATIONAL TRANSPORTATION POLICY PROJECT, BIPARTISAN POLICY CENTER

Ms. HECKER. Thank you, Senator Menendez, Senator Merkley. It is an honor to be here. As you stated, I represent the Bipartisan Policy Center, which came together with four of your former leaders—Senators Dole, Daschle, Baker, and Mitchell—to lay the foundation of the kind of bipartisanship that is so essential to solving our major national problems. The focus is developing bold but pragmatic solutions to the major issues of our day and bringing together very broad cross-sections of not only former elected officials but experienced folks in each area as well as new voices. So in transportation, our panel is not just transportation experts but a national grocer, a real estate developer, and different kinds of perspectives to bring to bear.

The three topics that I will address today are the challenges and opportunities of the current environment and the political context that you know very well, the priorities that BPC has set for the new authorization to be addressed in a report that we will be releasing in a couple of weeks that will have a detailed authorization proposal, and then, finally, the key funding issues and challenges which are so essential.

Before I address those three issues, I actually was going to skip over this, but because both of you talked about the importance of national goals and performance metrics, I'll address the foundation of the work that the Bipartisan Policy Center is doing. The heart of reform, the heart of performance, the heart of accountability is having clear goals and performance metrics to measure and hold recipients of Federal funds accountable. It is the heart of it. It was the heart of our first report that identified five key national interests and, therefore, goals of Federal involvement in transportation generally, economic growth, national connectivity, including all the concerns expressed here today about rural issues. It is part of our Nation, not just our metropolitan area but certainly our rural areas.

Metropolitan accessibility is a national interest. That is where most of our growth occurs. It is where most of our people live. Even in the rural States, most of them live in metropolitan areas. We

need more strategic focus on metropolitan performance of the networks and systems in metropolitan areas. Improving our energy security and environmental sustainability and reducing emissions, that is a fundamental national interest, and safety.

Now, the first four of those traditionally are not transportation related. Those are higher national interests, broader national goals, and we think transportation to a large extent is a means to an end. The days when we grew up and Dad would take you for a ride in the country, are past. Today, transportation is the foundation of the vitality of our economy. It is how people get to work, it is how our commerce is conducted, and transportation helps us grow, helps us live better, and have a sustainable environment in a safe manner. So these goals are critical.

We have also recommended that that is the single most important measure that the Congress needs to take in authorization, and not in the prefatory language. That kind of language is always in the prefatory language of the bills. It has to be the goals of the bills, tie the programs to those goals, and start laying the foundation for measuring, monitoring, and rewarding performance.

Now, I'll turn to the three issues that I talked about. First is the challenges and opportunities. You know full well the severe condition of the trust fund, which has been hit by the economic downturn. The Nation is confronting the fiscal crisis for the first time. Frankly, having been with GAO for years, the last 15 years, I was giving speeches on the debt crisis and the fiscal condition requiring urgent attention 10 years ago. It is finally coming to the fore. This is a national crisis that is changing the nature of the debate about these issues. And then we have got increasing hostility to taxes, at least certainly at the Federal level.

Our concern is that, as all of the witnesses before have said, all of the evidence is that we need to be spending more on transportation. We are not maintaining what we have. We are not preparing for the future.

On the other hand, we do not have the money. The only way the trust fund is operating now is from over a \$30 billion bailout of borrowed funds over the last 3 years. In my view, the political environment is such that we are not going to have any more bailouts of that kind that are borrowed funds. There is no more free money. There are no more gimmicks, frankly, which is a lot of what was behind some of those bailouts.

The panel that we have has basically said that while in our visionary report we support substantial increases, the future cannot depend on general fund transfers and increased borrowing. Until new revenues are identified, the program should be scaled back to existing revenue, and this is also an opportunity for the critical reforms.

I see I am way over my time. The reforms build the foundation for performance, focus on improving planning and getting more oversight. The planning structure, which is so vital to better decision making, is not based on the kind of goals and outcomes that you have talked about. It is all process oriented. And DOT has done work on this. They know it. They are limited in their current authority. All of the focus on planning is just process oriented. We need oversight on solving problems.

And, finally, on funding, in the longer run basically the work that we have done and the experts that we have brought together who have their own proposals, we concluded that we are not going to get consensus for the kinds of increases that are required in transportation until we rebuild the credibility of the program. Clearer set of performance objectives, clearer outcomes, clearer recognition that we are getting value for our money. So in the long term, we actually think these reforms really need to precede the kind of increases that are called for.

In the short run, we have a very dramatic recommendation. If we live within our budget—which, frankly, is a decrease from current levels, we recognize that the current level of spending is only supported by these bailouts. We have to have a major new Federal program focusing on supporting States, rewarding States, providing incentives, and giving them all the tools to develop sustainable revenue sources to maintain the program.

Thank you, and I apologize for going over.

Senator MENENDEZ. Thank you very much.

Thank you all for your testimony. I, unfortunately, have a meeting with our Ambassador designee to Afghanistan, so Senator Merkley has agreed to chair the rest of the hearing. I have a series of questions I am going to submit to the record. I look forward to your answers.

But I will make one statement as a subcommittee chair, which we look forward to pursuing many of these issues as we hold future hearings in conjunction with the Chairman. You know, in my mind, we cannot prosper if we cannot grow, and we cannot grow if we are stuck, and we are stuck and we need to be able to move in a direction that creates greater—particularly in mass transit, better public transit opportunities.

There are few issues that embody so many of our national goals as public transit, whether that is the whole question of getting people to work and opening up economic opportunities, and very often what transit systems do to create economic opportunities, not only their construction, but in the long term, ripple effect along transit lines.

It is about our environment and the air that we collectively breathe. It is about energy, moving increasingly to energy independence and breaking our addiction to foreign oil and great transfers of wealth from our country to other countries at the end of the day. And much more. It is quality of life, sitting less time in traffic, having more productive time at work or quality time with our families.

So it seems to me this is one of those issues for which we, in fact, have so many crosscutting national issues and concerns that we should be able to do a lot more and hopefully get a bipartisan consensus, which this Committee has, fortunately, always been at the forefront of, so I hope we can continue with that history.

With that, I appreciate Senator Merkley closing out the hearing and look forward to reading the answers to the questions that I have. Thank you very much.

Senator MERKLEY [presiding]. Thank you very much for your testimony. I have a couple quick questions. I say quick, because I only

have about four more minutes before I have to leave for another meeting.

So I wanted to ask Mr. Marsico about your comments regarding vehicle miles traveled. I think I have the phrase here of the current American political environment does not seem at all ready to embrace the idea of the Government in any shape or form monitoring travel patterns of its citizens, even if only to gauge distances traveled. We have had in Oregon a pilot project on this, but I was wondering where you were taking your conclusions from, from more just surveys or other perhaps experimental projects from around the country.

Mr. MARSICO. We were taking my information from surveys we did, particularly in the Western States when we were talking about other ways to increase revenue. I think, basically, we put that in our testimony to reflect that there were many communities where that was looked at as very invasive and that it led to, I think what we say in our testimony is, during the current crisis, sometimes, like I believe the phrase is Occam's razor. The simplest solution is the best.

And I find that in those areas where we talked, a gas tax increase was greeted, you know, much more positively and understandingly than getting into a more detailed approach to something longer term. And I think what we said in our testimony is, that is a great long-term solution. We have to educate people about what we are doing first. But in the meantime, we had such urgent needs, we were trying to focus on how great the support we felt existed for a simpler solution that we believe that a number, and a significant number of the American people would join us in a small gas tax increase as a step toward looking at a broader range of revenue.

Senator MERKLEY. I would just note, you might find it interesting to look at the results of that pilot in Oregon. Oregon has a weight mile on freight, which has a very sophisticated formula that addresses the number of axles, the weight on each axle, *et cetera*, *et cetera*. It actually serves as a motivator for companies to add more axles and do less road damage because it lowers their costs.

So within that framework, there is a lot of thinking about the fact that high-mileage vehicles and certainly hybrids and electric vehicles may not be carrying their fair share. On the other hand, we are working hard to subsidize that transition for a host of other very valuable reasons that have to do with reducing our consumption of oil for the national security purposes, the creation of jobs, and the improvement of air. So there is kind of a rich debate going on around that.

I wanted to ask if anyone had anything they would like to say about bus rapid transit. We have had several communities that have been exploring this and some that have developed it at much less infrastructure cost than rail takes, but with fairly similar speeds, with coordinating traffic signals, landings for people to get on and off the vehicles, and so forth.

Mr. HANLEY. America lags far behind Latin America in developing bus rapid transit. It is a very productive way to avoid capital costs in construction of systems that, for some reason, some municipalities love to build light rail systems and I think they have

ignored the recent developments over the course of the last two decades around the world in bus rapid transit.

So we find it for our drivers, they love the fact that they do not have to sit in traffic. Often, when folks do not understand it, they reject it out of hand, but it is a very effective way, efficient way, of moving people more reliably, safer, and more quickly through our cities. So we support it completely.

Mr. MILLAR. Mr. Merkley, yes. APTA believes that the full family of services ought to be available, including bus rapid transit, that that ought to be a part of the Federal program. As Mr. Hanley has said, many communities have started to look at that, and certainly we would support its inclusion in the bill.

Senator MERKLEY. Thank you. And finally, Ms. Hecker, you probably heard my comments earlier on performance measures, strategic planning, and scenario-based comparisons, and the value they have actually brought to the bottom line to the taxpayer, because that sort of scenario-based planning has resulted in more being accomplished for less. But I wanted to ask if you are familiar with that as an extension of your performance measures conversation.

Ms. HECKER. Yes, sir. We are, and I think while we do not use that term, we talk about getting incentives in place for more integrated outcome-based planning that focuses on the mix of Federal interests of growth and energy security and improving access to jobs. So the traditional planning that was more focused on a static projection of demand really was not nearly as dynamic as we need with all of these national interests in our transportation system and the interplay of these objectives.

So we are very much focused on trying to set the stage for not only promoting more dynamic planning, for providing support to State and local governments for the data, which is very often the missing ingredient for that kind of analysis, and for the analytical tools to compare across modes and to do more dynamic planning, and the tracking tools to understand what impacts transportation investments are likely to have in the future and actually have had, looking backwards.

Senator MERKLEY. I want to thank you all for bringing your expertise to provide insights to this Committee. So thank you for your time and efforts. The input is very valuable.

The record will be open for an additional week for folks to submit questions, and we certainly appreciate your responses to those questions.

With that, I adjourn this Committee. Thank you.

[Whereupon, at 11:44 a.m., the hearing was adjourned.]

[Prepared statements, responses to written questions, and additional material supplied for the record follow:]

PREPARED STATEMENT OF CHAIRMAN TIM JOHNSON

Today, the Committee holds its first hearing this Congress on public transportation as we begin work on a new surface transportation bill. This effort will build on the substantial hearing record on public transportation and transit safety that our previous chair, Senator Dodd, and our Ranking Member, Senator Shelby, worked to establish last Congress. I look forward to continuing this effort on a bipartisan basis with Senator Shelby, our Subcommittee Chairman Senator Menendez, and all of the Members of this Committee.

This is a very important time to talk about public transportation. High gas prices are stretching families' budgets across the Nation, and where there is good transit service, taking a bus or train to work can make a big difference. Unfortunately, few Americans have that option.

A few days ago I got a note from Bob Ecoffey on the Pine Ridge reservation in South Dakota. Bob works for the Bureau of Indian Affairs. He and his wife Darlene also own a Subway sandwich shop in Pine Ridge Village. I want to read part of his note for the Committee:

Tim—I hope this message finds you well. I heard that you will be working on a transportation bill soon. Five of the employees at our sandwich shop take a bus operated by Oglala Sioux Transit to get to work. You know how vast the reservation is, so having a reliable and affordable means to get to the store really helps them.

I want to thank Bob for sharing his thoughts. It is sometimes forgotten, but reliable and accessible public transit is vital in rural areas like South Dakota, just as it is vital in large urban cities. Our public transit systems connect workers with employers, keep cars off congested roads, reduce our dependence on foreign oil, and get people where they're going safely and affordably.

We are joined today by Peter Rogoff of the Federal Transit Administration and four distinguished leaders from the transportation industry. Mr. Rogoff, I share the Administration's interest in repairing outdated infrastructure, improving safety oversight, and simplifying and consolidating existing programs. I applaud President Obama's call to improve our transportation system, and I look forward to working with the Administration on a bill.

The current extension of transit and highway programs runs through September 30. Congress has produced seven short term extensions since 2009, so it's time to get to work on this legislation. Getting a long-term bill done will not be easy, but I hope that improving transportation is a topic where both parties can find common ground.

PREPARED STATEMENT OF SENATOR ROBERT MENENDEZ

Good morning. I would like to thank Chairman Johnson and Ranking Member Shelby for holding this hearing to address the longstanding challenge of how we craft and pass a surface transportation bill in 2011 that will help jumpstart the economy and get the United States back on track.

Today, we are in limbo. Nearly two years and seven extensions later, our country still lacks a permanent authorization to direct our Nation's surface transportation program. It will require an immense amount of leadership, political will, and collaboration to do what is in the best interest of the country. We literally cannot afford any more delay.

Incremental extensions stymie our ability to strategically link public infrastructure investment and economic development—to "prime the pump" for job creation and recovery. This threatens U.S. global competitiveness and undermines our quality of life. This authorization is an opportunity to maintain the strong elements of our existing transportation program, while shifting course in other areas where there is consensus on the need for reform.

Transit is a critical element of our transportation network and recognition of its importance continues to rise. Today, with gas prices over \$4 a gallon, with our Nation addicted to oil, with the threat of climate change and the housing crisis, transit is part of the solution for a number of interconnected challenges.

Public transportation brings mobility, access, and freedom to residents and visitors across the country. It creates good-paying, long-term jobs directly and helps create countless more by efficiently connecting workers with their place of employment.

We know that the housing markets hardest hit by high gas prices are exactly those communities that are located the furthest from jobs and schools, houses of worship, hospitals, and grocery stores. The hardest hit communities are also the ones with the fewest connections to public transportation.

In short, passing a reauthorization bill and making sure transit gets the resources it needs is simply essential if we are to grow our economy, reduce congestion and pollution, fix the housing market, and drive down transportation costs.

I am very proud that this Committee has been able to act on a bipartisan basis on transit issues in years past and I hope we can serve as an example for the entire Senate on how to reach across the aisle to pass a surface transportation reauthorization bill.

Thank you and thanks to our witnesses for sharing your insights and experience with the Committee today.

PREPARED STATEMENT OF PETER M. ROGOFF

ADMINISTRATOR, FEDERAL TRANSIT ADMINISTRATION

MAY 19, 2011

Chairman Johnson, Ranking Member Shelby, and Members of the Committee:

Thank you for the opportunity to appear before you today to discuss the Obama administration's policy priorities for the next authorization of Federal transit programs. We appreciate the Committee's hard work to develop this important legislation. And we believe it is in the best interests of the American people to support a legislative framework that will enable us to strategically rebuild and expand our national transit infrastructure in ways that will create new jobs, enhance competitiveness, and spur economic growth in communities nationwide, while also reducing our Nation's dependence on oil.

Almost all Americans—from families to business owners—have been affected by the spike in gas prices lately, as they were in 2008 and back in 1973. But we can't keep proposing policy changes when gas prices rise, only to forget about them once they go back down. President Obama has noted that while there is no silver bullet to address rising gas prices in the short term, there are steps we can take to ensure the American people do not fall victim to skyrocketing gas prices over the long term.

Toward this end, the President has laid out a blueprint to put America on a path toward a cleaner, safer, and more secure energy future. The Administration has pledged that by 2025, we will reduce our net imports of oil by one-third and put forward a plan that produces more oil domestically, reducing our dependence on oil with cleaner fuels and greater efficiency. That is achievable, it is necessary, and for the sake of our future, we will get it done.

To ensure that this strategy succeeds, we are making historic investments in high-speed rail and public transit, because part of making our transportation sector cleaner and more efficient involves offering Americans—urban, suburban, and rural—the choice to be mobile without having to get in a car and pay for gas.

We at FTA have been hearing from transit agencies all over the country, who tell us they are experiencing a surge in ridership that they attribute, at least in part, to the pain people are feeling at the pump. For example, in New Orleans, Louisiana, ridership on the RTA transit system is up more than 20 percent over last year. In Kankakee County, Illinois, local buses have added more than 3,000 new riders this spring. In greater Philadelphia, there's been a 4 percent increase on SEPTA's trains and buses over a recent 8-month period. And in northern Virginia, 7 percent more riders chose to ride the VRE commuter rail in February than the same time last year.

These increases represent millions of new trips taken every day. Many of these trips are taken by hard-working Americans who simply cannot afford to purchase and maintain privately owned vehicles. Suburban commuters who are also concerned about the high cost of gas—and would prefer not to waste gas sitting in traffic—are also turning to transit. According to the American Public Transportation Association, riding public transportation saves individuals, on average, \$10,116 annually, or \$843 a month, compared with driving.

Implementation of our priorities for reauthorization—together with enactment of the President's budget request for fiscal 2012—will ensure that America's transit systems are reliable, desirable, efficient, and safer than ever for the millions who use them every day in our urban, suburban, and rural communities. Our priorities reflect the Administration's dual commitments to expanding transit in areas with little or no transit while also bringing our older, urban transit systems into a state of good repair. But transit service is only as strong as the agency that runs it. Therefore, it's equally important to support workforce training and development within the transit industry as well as temporary, targeted operating assistance for transit providers in distress. To improve FTA's capacity to oversee and manage the billions of dollars we award annually to State and local transportation providers,

and ensure that taxpayers' transportation dollars are wisely spent, the Administration is also committed to streamlining and consolidating core programs to improve efficiency and become even more responsive to local transportation priorities. Specifically, we recognize it is vitally important to strike the right balance between good stewardship and the need to advance capital transportation projects in a reasonable timeframe. That is why we propose significant changes that will accelerate the development and financing of critically needed projects to expand transportation options in the United States. Additionally, we will reduce the administrative burden now experienced by FTA's grant recipients for programs that offer mobility for older adults, people with disabilities, and low-income individuals. To this end, we will merge and consolidate three separate programs.

A description of FTA's policy priorities for the next authorization follows.

State of Good Repair

During his State of the Union Address, President Obama laid out an aggressive but achievable plan to out-build, out-innovate, and out-educate our global economic competitors. At the heart of the President's challenge is public transit. The Administration supports making a groundbreaking commitment to not only expand transit options for Americans, but just as importantly, maintain our transit systems in a state of good repair. A September 2010 FTA study found that the Nation's transit systems, including bus systems, have a \$78 billion backlog of assets in marginal or poor condition and that our Nation's transit systems will require an estimated \$14.4 billion annual investment to continue to maintain a state of good repair once that backlog is addressed.

Through a new State of Good Repair program, one that would replace the existing fixed guideway modernization and discretionary bus programs, formula grants would be provided to transit agencies over the next 6 years to enable them to improve the condition of their existing capital assets. We will work closely with this Committee to develop a reformulated two-tiered formula for both bus and rail that closely reflects the capital needs of transit agencies. This formula should allocate funds based on the relative cost to restore public transportation assets to a state of good repair. We also recommend that the formula give priority to transit agencies with the most pressing capital investment requirements. The formula should not inequitably reward public transportation agencies that have failed to adequately maintain their capital assets. We should require transit agencies to use asset management techniques to target their state-of-good repair investments. Also, it should assure equitable treatment of the relative needs of rail and bus systems and provide an incentive to transit agencies for developing and implementing structured asset management techniques.

Safety

Secretary LaHood has regularly stated that "safety is our highest priority and we are committed to keeping transit one of the safest modes of transportation in the Nation." Our commitment to safety is demonstrated by the Administration's repeated requests that Congress enact new authority for FTA to ensure the safety of rail-transit riders across America.

In December 2009, Secretary LaHood transmitted to Congress legislation that would establish national rail transit safety standards. This was the first piece of legislation that any President, in any Administration, transmitted to Congress that was solely about public transportation, and appropriately, it was about safety.

We're also very grateful that this Committee unanimously passed a safety bill in June 2010. While it differed in some respects from the Administration's proposal, it includes the core components that will put us all on a better path for improved safety.

I want to thank all the Committee Members that have worked on that legislation. I can promise you, FTA will continue to work with the leadership in Congress until public transportation safety legislation is enacted as a stand-alone bill or as a part of the reauthorization of the Federal Public Transportation Assistance Programs. I am grateful to the American Public Transportation Association (APTA) for their recommendations on how to improve safety legislation as well as their support of this much needed legislation as it moves through the process.

To achieve the goal of putting safety first, it is imperative that Congress rescinds an antiquated 1960s era law that forbids the Federal Government from issuing even the most basic safety regulations now. When Secretary LaHood and I testified before the Subcommittee on Housing, Transportation, and Community Development on December 10, 2010, we expressed concern about warning signs regarding the frequency of derailments, collisions, and passenger casualties and reported on a number of accidents serving as the basis of our concern. While transit is a safe way to travel,

we continue to see too many preventable accidents. For example, on March 13 of this year, a BART train derailed as it approached a station, causing the evacuation of 65 passengers. Four people were injured, and the accident resulted in \$800,000 in damage. And, on April 20, 2010, twenty people were injured because of a fire in a tunnel just outside the MBTA's Downtown Crossing Station. The cause of the fire was due to trash near an electrical cable.

Clearly, FTA needs the tools to ensure that public transportation remains safe as our systems age and experienced employees retire in increasing numbers. Enactment of this commonsense safety legislation is long overdue; we request that Congress move quickly to provide those necessary tools to us to help keep the public safe.

Temporary and Targeted Operating Assistance

The Administration's proposed flexibility to use Section 5307 Urbanized Area Formula Grant funds for operating expenses is an important recognition that some of our public transportation agencies need help addressing their operating shortfalls in the short run. In smaller urban areas and in rural areas, FTA formula funds can already pay for operating assistance. But now we are proposing that FTA funding be available for temporary operating assistance specifically in economically distressed urbanized areas with a population of over 200,000.

This flexibility would phase out over 3 years. In the first year, grantees in these targeted areas would be permitted to use up to 25 percent of their urbanized area apportionment for operating expenses and declining portions during the second and third years. To prevent the substituting of Federal funds for local dollars, each transit agency would have to certify to FTA that its local funding partners did not reduce the proportion of local funding dedicated to transit and that service levels are maintained and not cut below previous levels.

Program Streamlining and Delivery

I. Capital Investment Program

The Administration supports transforming the New Starts program (Section 5309), into a Capital Investment Program that would feature a simpler and more streamlined process for funding the construction of new fixed guideway projects and extensions to existing fixed guideway projects, such as heavy rail, light rail, commuter rail, and bus rapid transit. Currently, FTA follows a rigorous, time-consuming process based on requirements set by the law when reviewing grant applications for program funding. This process focuses on awarding Federal dollars to the highest rated projects. However, sometimes project timelines are sacrificed along the way, resulting in higher project costs.

We believe that such changes will expand transportation options in the United States by accelerating the development and financing of critically needed projects. Importantly, streamlining the Capital Investment Grants process will be a true catalyst to long-term economic development and job growth surrounding the new rail line.

The goal of streamlining Capital Investment Program is to strike the right balance between stewardship and the need to advance New Starts projects in a reasonable timeframe. To that end, FTA supports eliminating the duplicative Alternative Analysis requirement since it is already required by the National Environmental Policy Act.

We support merging Preliminary Engineering and Final Design into a single Project Development stage under our proposal. Entry into the Project Development phase would require FTA approval. The current six project performance criteria would be reduced to four—transportation effects, environmental effects, economic development, and comparison of project's effects to costs.

Streamlining the project development process would permit us to discontinue the current "Small Starts" category—projects requesting less than \$75 million in New Starts funds with a total capital cost of less than \$250 million. Instead, the program would include two new project categories: the larger Capital Investment Grant projects and Exempt projects, which request less than 10 percent of their funds from this program, and in any case, no more than \$100 million. Exempt projects would be subject only to basic Federal grant requirements and would not be evaluated and rated under the program criteria.

One set of project evaluation criteria would be applied to all nonexempt projects. Projects' sponsors seeking more than \$100 million in Capital Investment Grant Program funds would receive construction funds through a Full Funding Grant Agreement while projects seeking less than \$100 million would receive construction funds through a simplified Project Construction Grant Agreement. We propose to maintain the five-tier project rating system of low, medium-low, medium, medium-high, and

high for project ratings. We also provide comparable, but not necessarily equal, weight to each of the project performance criteria.

II. Consolidated Specialized Transportation Grant Program

Over time, FTA's grant recipients have had to devote increasing time and resources to administer the various requirements of FTA's programs that offer mobility for older adults, people with disabilities and low-income individuals. To address this burden, the Administration supports creating a Consolidated Specialized Transportation Grant Program to improve mobility and job access for low income persons, and provide transportation options for senior citizens and individuals with disabilities. This program would merge the existing Elderly Individuals and Individuals with Disabilities Program, the New Freedom program, and the Job Access and Reverse Commute program. The objective of this program reform would be to ensure transportation services are made available in urbanized and nonurbanized areas, and are designed to fill gaps in or enhance transportation services available to meet the particular needs of older adults, low-income individuals, and people with disabilities who are not well served by existing public transportation service.

Funds would be distributed by formula and apportioned to urbanized areas and rural areas based on the number of each targeted population in those respective areas. Funds would be used for planning, capital investments, and operating costs of projects derived from a locally coordinated public transit—human service transportation plan.

Performance-Based Planning

Over the past few decades, Federal surface transportation law has increasingly recognized the importance of transportation planning as the basis of transportation spending decisions by State and local officials. However, States and localities need to better identify and address their planning problems and needs by making full use of performance data, improving coordination among jurisdictions, and integrating economic, housing, and other planning efforts into their transportation decisions. The Administration supports enhancing the effectiveness of States and MPOs in developing and implementing transportation plans and improvement programs while also ensuring transparency and accountability in public investments, and believes that three changes to the current planning provisions would accomplish this.

First, both metropolitan plans and statewide plans are required to include performance based goals, outcomes, and targets. These address not only transportation based outcomes, but environmental and economic development considerations, among others. Furthermore, MPOs and States would be required to demonstrate how the outcomes and performance targets contained in their adopted transportation plans—Transportation Improvement Programs and Statewide Transportation Improve Programs (TIPs/STIPs)—directly link plans to investments.

Second, Metropolitan Planning Organizations (MPO) designations are split into a Tier 1, encompassing areas of 1 million or more population; and Tier 2, encompassing areas of 200,000 to 1 million in population. Tier 1 MPOs are held to more rigorous performance based planning requirements. This recognizes that areas with more people, more complex transportation challenges, and more resources to address those challenges should clear a higher bar than smaller areas.

Third, States are expected to significantly strengthen the performance and financial rigor of their plans and programs, and increase their collaboration with small urban (less than 200,000) and nonmetropolitan areas whose transportation needs and priorities are incorporated as part of the statewide process.

Livable Communities

The Department of Transportation (DOT) has prioritized its Livable Communities Initiative and Partnership for Sustainable Communities with the Department of Housing and Urban Development (HUD) and the Environmental Protection Agency (EPA) and is exploring areas where program funds may be used to promote these efforts. The initiatives aim to help families in all communities—rural, suburban, and urban—gain better access to affordable housing, more transportation options, and lower transportation costs, while protecting the environment in communities nationwide.

While all of FTA's programs work to enhance the livability of communities by providing transportation options for people and communities across the country, in further support of the Administration's Livability Initiative, FTA is proposing a new Livability Demonstration Grant Program to support innovative projects that improve the link between public transportation and communities. Projects would be evaluated based on innovative or best practices, and local incentives for integrating transit with the community development in accordance with the DOT–HUD–EPA Partnership for Sustainable Community's livability principles. More specifically,

projects would test different design and conceptual approaches to promoting livability in urban, rural, and tribal communities nationwide. This approach would allow FTA to evaluate and compare their relative effectiveness.

Workforce Development and Local Hiring Preference

FTA believes that the Nation's transit industry should be equipped with a workforce that has the skill-set necessary to fill future transit jobs by establishing, among other things, workforce development and registered apprenticeship programs.

Such a Workforce Development Program would target training funds at under-represented populations in areas of high unemployment areas using up to 0.5 percent of the amounts made available to carry out FTA's urbanized area formula grant program and would be developed and administered in consultation with the Secretary of Labor.

Currently, FTA is prohibited from allowing local hiring preferences on projects using Federal transit assistance. The Workforce Development Program we support would advance local hiring goals set forth in the Office of Management and Budget's guidance for recovery spending issued April 3, 2009. We believe that local hiring is an effective tool that could be used to maintain and promote the working population by giving local workers a leg up on projects they pay for as taxpayers—projects that are being built in their own backyard. For this reason, the Administration supports establishing standards under which a contract for construction may be advertised that contains local hiring requirements in limited circumstances. This provision would be applied only if construction were being conducted in a designated area of high unemployment (per Department of Labor data) and the contract's total capital cost were over \$10 million. Workforce Development Program funds could be used to train individuals hired under contracts allowing local hiring preferences.

Public Transportation Emergency Relief Program

In many communities public transportation provides critical services to residents to carry on daily activities. A temporary interruption in transit service because of a natural or manmade disaster can be disruptive and even cause economic dislocation to those that rely on it for work, medical appointments, and other activities. Additionally, in the wake of Hurricanes Katrina and Rita, the Government Accountability Office found that existing Federal emergency and disaster relief programs were not sufficiently responsive to the public transportation needs of communities.

The Administration believes that an Emergency Relief Program should be established to provide funds necessary to quickly restore transit operations in the wake of a disaster. This new program would fund the evacuation costs and temporary operating expenses of transit agencies during and after a disaster, as well as capital replacement and repair costs.

Buy America

The Obama administration is committed to ensuring that projects built using United States tax dollars generate the maximum number of jobs right here in the United States. As such, we request that Congress implement the necessary legal changes to increase the "Buy America" standard for federally funded transit equipment and components over time to 100 percent U.S. content. The Administration proposes to achieve this goal by gradually increasing the percentage of rolling stock components and subcomponents that must be produced in the United States. This increase would take place over a 5-year period to enable vehicle manufacturers to enlist a greater number of U.S.-based vendors, and to give vendors time to relocate or commence manufacturing activities in this country. By 2016, 100 percent of the cost of components and subcomponents for rolling stock, including rolling stock prototypes, would have to be produced in the United States and final assembly would have to occur here as well.

Conclusion

As high gas prices take a bite out of family budgets, the Obama administration will continue to work with communities to make sure commuters have affordable, convenient ways to get to work, school, or the grocery store. The Administration's policy proposals outlined above are a major step in that direction. In addition, there are other policy proposals that benefit several modes of transportation, including public transit. Examples are the Transportation Leadership Awards Program that will reward States and MPOs that are at the forefront of implementing best practices, including developing innovative ways to connect people to opportunities and products to markets and establishing a National Infrastructure Bank within the DOT as an innovative infrastructure financing mechanism for infrastructure

projects of regional and national significance that would otherwise be difficult to fund.

The Administration is eager to work with this Committee to ensure that Congress authorizes the Federal Transit Assistance Programs to assist our Nation's transit passengers—both those that use transit every day and those that want to use transit in the future. I will be happy to answer any questions you may have.

PREPARED STATEMENT OF WILLIAM W. MILLAR
PRESIDENT, AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

MAY 19, 2011

Introduction

Chairman Johnson, Ranking Member Shelby, and distinguished Members of the Committee, thank you for the opportunity to present testimony regarding the next surface transportation authorization bill. Enacting a well-funded, 6-year, multimodal surface transportation bill, is one of the most important actions Congress can take to repair our Nation's economy and prepare for the growth of the country. Investment in the Nation's transportation infrastructure will create jobs building facilities that our Nation will use for decades as we compete in a global economy. Conversely, further delay in passing an authorization bill will have the opposite effect, allowing our public transportation systems, roads, bridges, and rail to deteriorate, decreasing their effectiveness while forcing citizens and private sector businesses to be saddled with higher transportation costs. It will cause public transportation related companies to lay off employees, reduce investments in this country and some to invest overseas instead. Every \$1 billion invested in public transportation creates or supports 36,000 jobs, and public transportation investment is an essential strategy in a surface transportation bill as we seek to reduce our dependence on imported oil, reduce congestion on our roadways, and offer more transportation choices to Americans.

About APTA

The American Public Transportation Association (APTA) is a nonprofit international association of 1,500 public and private member organizations, including transit systems and high-speed, intercity, and commuter rail operators; planning, design, construction, and finance firms; product and service providers; academic institutions; transit associations and State departments of transportation. APTA members serve the public interest by providing safe, efficient, and economical public transportation services and products. More than 90 percent of the people using public transportation in the United States and Canada are served by APTA member systems.

The Need for Federal Transit Investment

As this Committee develops the transit title of the next surface transportation authorization bill, it is critical that the legislation increase Federal investments to levels that will allow the transit industry to address the Nation's significant public transportation needs. APTA has recommended \$123 billion of Federal transit investment over 6 years, and \$50 billion for high-speed and intercity passenger rail. President Obama has proposed \$119 billion over the same period for transit investment and \$53 billion for high-speed and intercity passenger rail. Under either scenario, new Federal investment would produce much-needed progress toward bringing our Nation's public transportation infrastructure up to a state of good repair and building the capacity for the tens of millions of new riders that will seek service in the coming years. The U.S. Department of Transportation estimates that a one-time investment of more than \$78 billion is needed to bring the Nation's transit infrastructure up to a state of good repair. After that, research on transit needs shows that capital investment from all sources—Federal, State, and local—should be doubled if we are to prepare for future ridership demands.

APTA recognizes that the Highway Trust Fund, including the Mass Transit Account, currently does not generate sufficient revenues to support the current level of investment, let alone levels that are needed from the Federal Government to meet the Nation's needs. To generate this revenue, at a minimum, Congress should restore the purchasing power of dedicated revenue for public transportation and other surface transportation investment to 1993 levels (when motor fuel taxes were last raised) and those revenues should be indexed to account for future inflation of construction costs. This view is shared by a wide range of organizations, such as the U.S. Chamber of Commerce, the American Trucking Association and AAA. Even if these actions are taken, more will have to be done as outlined by the congression-

ally chartered National Surface Transportation Policy and Revenue Study Commission.

In addition, in an era of budget constraints, utilizing alternative financing mechanisms to more effectively leverage Federal investments makes a great deal of sense—but only to a certain extent. New financing tools cannot replace the need for expanded Federal investment. However, the Congress should examine the long-term viability of innovative financing techniques, including: public-private partnerships, Federal loan guarantees, tax exempt/tax credit bonds, tolling and congestion pricing, value capture increment financing, and other mechanisms that consider changes in energy use and reduce Nation's carbon footprint. Furthermore, there are modifications that can be made to existing programs, including the Transportation Infrastructure Finance and Innovation Act (TIFIA) program, that could make them a more effective source of public transportation financing.

Demand for public transportation and the need for Federal leadership will not diminish in the months and years ahead. As gasoline prices continue to increase, Americans are again turning to public transportation in record numbers. We recently completed an analysis that reveals that as regular gas prices reach \$4 a gallon across the Nation, an additional 670 million passenger trips could be expected, resulting in more than 10.8 billion trips per year, roughly a 6-percent increase. If pump prices jump to \$5 a gallon, the report predicts an additional 1.5 billion passenger trips can be expected, resulting in more than 11.6 billion trips per year. And if prices were to soar to \$6 a gallon, expectations go as high as an additional 2.7 billion passenger trips, resulting in more than 12.9 billion trips per year.

The volatility of gas prices is a wake-up call for our Nation to address the increasing demand for public transportation services. We must make significant, long-term investments in public transportation systems or we will leave Americans with limited travel options, or in many cases, stranded without travel options. Again, enacting a well-funded, 6-year, multimodal surface transportation bill, is one of the most important actions Congress can take.

Getting the Most From Federal Funding: Program Reform and Speeding the Delivery of Public Transportation Projects

APTA's members have recommended numerous program changes that can be made to speed project delivery and reduce costs. Representatives from across our diverse membership: transit systems of all sizes, business members, State DOTs and others, worked for more than a year to develop consensus recommendations. Simplifying and streamlining Federal surface transportation programs will not solve many of the problems facing our Nation's transportation infrastructure, but Federal resources must be used as efficiently as possible. Surface transportation authorization legislation is the best opportunity to revise and modify Federal Transit Administration (FTA) programs so that Federal investment can be used more effectively. The following is a summary of several of the major recommendations that APTA has endorsed:

New Starts Program

The New Starts program is the primary source of Federal investment in the construction or expansion of heavy and light rail transit systems, commuter rail systems, and bus rapid transit projects. The construction or expansion of new fixed guideway systems is essential to enhancing the Nation's mobility, accessibility, and economic prosperity while promoting energy conservation and environmental quality.

While the New Starts program is critical to the future of public transportation, the process for developing, approving, and delivering a project can stretch out for a decade or longer. According to FTA, project development can take 6 to 12 years, a time consuming and expensive process for project sponsors, and completing the first phase of the process, conducting an Alternatives Analysis, typically takes 2 years. New Starts project applications are subjected to greater analysis than any other federally funded highway or transit project. If projects sponsors can demonstrate the worthiness of an investment and their ability to manage its construction, the Federal Government should limit further burdens on a project's development.

APTA asks Congress to eliminate the requirement for an Alternatives Analysis stage in New Starts that is required by current law. The work completed during the Alternatives Analysis stage of project development often replicates work that is undertaken for the federally required Metropolitan Transportation Planning process and/or the National Environmental Policy Act (NEPA) alternatives analysis that is required of all Federal projects. Where local agencies and officials deem that a corridor-level planning study or more formal Alternatives Analysis would be of value

for a Major Capital Investment Project, they should be permitted to perform such studies but it should not be required.

APTA also calls for reducing the number of approvals that a project must receive from FTA throughout the entire New Starts process. Approval of a project to enter the New Starts program should convey FTA's intent to recommend a project for eventual funding, provided the project continues to meet certain criteria, and satisfies NEPA requirements and other project development conditions. In addition to eliminating FTA's time consuming, costly, and duplicative alternative analysis process this change would eliminate the current need for separate formal FTA approvals to enter the Preliminary Engineering and Final Design stages, and instead require a single FTA approval into the new starts program. Waiting for each of these approvals means that all project development work stalls between each successive step, often causing months and years of delay at each step in the process. APTA has also called for the use of Project Development Agreements (PDA), which have been used in the Small Starts process, to set schedules and roles for both FTA and the project sponsor. A PDA should also be the basis for an Early Systems Work Agreement once the NEPA process is completed with a Record of Decision (ROD) or a Finding of No Significant Impact (FONSI).

FTA has been developing very similar recommendations that are based on the agency's extensive experience and efforts to improve program delivery. In recent years, FTA has already made changes that simplify project rating criteria and ensure that rating criteria better reflect the full range of benefits from New Starts and Small Starts projects, another APTA priority. In addition the President's FY2012 budget, which contains early policy recommendations for authorization, specifically suggests eliminating the Alternative Analysis process and reducing the number of FTA approval steps in the New Starts process. We heartily endorse their ideas. We look forward to working with this Committee and the Administration to speed the delivery of high-quality projects under the New Starts program.

Discretionary Bus and Bus Facilities Program

Another APTA recommendation is intended to balance the various needs of the Nation's diverse bus systems. First, APTA believes it is very important to maintain a separate Federal program that dedicates funds to assist transit agencies to replace bus rolling stock and build new bus facilities. These periodical expenditures are unavoidable, yet many transit agencies lack the ability to finance large capital projects within their regular operating budget. On the other hand, under the current system many agencies have been shut out of the process, and unable to access funds from this account. To help resolve this inequity, but still maintain the ability for certain agencies to meet extraordinary capital needs, APTA recommends modifying the current Bus and Bus Facilities program to create two separate categories of funding. Under the new program, 50 percent of the available funds would be distributed under formula, and the remaining 50 percent would continue to be distributed under a discretionary program through a competitive grants process administered by FTA.

APTA also recommends, with new resources, the creation of a new "Clean Fuel Bus Program" that would help agencies address the significant backlog of rolling stock, while proving incentives to transit agencies replace older vehicles with new alternative fuel vehicles. This initiative would make funds available to urban and rural transit agencies that have buses in operation that exceed 125 percent of the FTA standard for vehicle replacement. Transit systems that receive funds under this program would have to use them to purchase new clean fuel vehicles.

Coordinated Mobility Initiative

APTA recommends the creation of a new Coordinated Mobility Program, which would consolidate three existing formula programs into one. The new program would combine the Job Access and Reverse Commute, New Freedom, and Elderly and Disabled Formula programs. The goals of the program and the eligible uses of funding would remain consistent with the three existing programs, while planning and coordination of services would be improved. This consolidation would allow more flexibility at the local level for service providers to deploy limited resources in ways that best meet local needs. The proposal would allow communities to continue carry out existing programs, but effectively consolidate the administrative and grant making processes. At present, the size of grants that are available from the three individual programs is small compared to the administrative burden and cost of applying for the funds. The Administration has also included this consolidation in its FY2012 budget proposal.

Other Program Recommendations

Small Transit Intensive Cities (STIC) Program: APTA supports the continuation of the STIC program, which added a service factor to the distribution of funds in small urban areas. The STIC program was designed to address the higher capital costs of those systems with significantly higher service factors. APTA strongly supports the continuation of the program.

Fixed Guideway Modernization Program: The Fixed Guideway Modernization program provides resources to passenger rail systems to assist with maintaining the systems in a state of good repair and modernizing the rail cars and supporting infrastructure. Currently, formula funds for this program are distributed under a complex, seven-tiered structure. Should new funds be made available to grow this program, APTA recommends replacing the seven-tiered program with a simpler, two tier formula distribution. The first tier would retain the characteristics of the current program, while the second tier would distribute funds using the Section 5307 rail tier formula for all fixed guideway systems that meet the 7 year requirement.

5307 Operating Exception: Public transportation systems in urbanized areas of more than 200,000 population which operate less than 100 buses in peak operation should be authorized to use section 5307 formula funds for operating purposes.

Workforce Development: Congress should continue current training programs and create new ones to support public transportation labor and management workforce development in the public and private sectors. In addition, APTA supports the creation of a National Joint Workforce Development Council, along with 10 Regional Joint Workforce Development Councils, comprised of equal members from labor and management, along with representatives from transit-related public and private sector industries. The goal is to create working partnerships between labor and management. These councils will identify and put forth solutions to issues such as identifying skills gaps and developing corresponding training programs, establishing career ladder programs to bring existing employees into management positions and maintaining an online database of workforce development training materials.

Research Programs: The Federal transit program should continue to invest in research. It might seem easy to reduce funding for some of these programs today, but these investments are essential to identifying future cost savings and improvements. Let me give you one example. The Transit Cooperative Research Program (TCRP) has been serving the industry since 1992. This congressionally established program is sponsored by FTA and carried out under a three-way agreement among the National Academies, acting through its Transportation Research Board (TRB); the Transit Development Corporation, an educational and research arm of APTA and the FTA. The program focuses on issues significant to the transit industry, with an emphasis on developing near-term research solutions to a variety of problems involving facilities, vehicles, equipment, operations, and other matters. The program has researched issues which have resulted in large dollar savings for public transit agencies while enabling them to improve customer service. For example, a number of transit systems used a TCRP report on low-floor light rail vehicle technologies and characteristics to develop specifications. Savings to just one agency were estimated at \$20 million as a result of using the results of the TCRP research. TCRP research is not limited to just big city operations. Rural transit systems in States such as West Virginia and Utah have used TCRP research findings to improve coordination of transportation services with human service agencies. TCRP research also helps train transportation professionals by providing teaching tools which have been developed by the Institute of Transportation Engineers, the University of Maryland, the University of Nevada, and George Mason University have all used TCRP in developing textbooks and curriculum for undergraduate and graduate level courses.

We look forward to discussing additional recommendations to speed project delivery and increase program efficiency. We have additional suggestions about using Categorical Exclusions more frequently for commonplace state of good repair projects to shorten the environmental review process and other ideas. To learn more about APTA's additional recommendations please see, "APTA Recommendations on Federal Public Transportation Authorizing Law", Adopted October 5, 2008, Revised November 1, 2009, available on the APTA Web site: http://www.apta.com/gap/legissues/authorization/Documents/apta_authorization_recommendations.pdf.

High-Speed and Intercity Passenger Rail

While APTA recognizes that the Banking Committee does not have jurisdiction over intercity passenger rail and other Federal Railroad Administration issues, we raise these issues here because it is an important element of APTA's recommendations for surface transportation authorizing law.

To meet the rapidly expanding needs of an ever-growing and highly mobile population, the United States must develop a fully integrated multimodal high-speed and intercity passenger rail system (HSIPR). APTA strongly supports President Obama's proposal to provide \$53 billion dollars over 6 years to improve and expand high-speed and intercity passenger rail and urges Congress to provide the first \$8 billion which was included in the President's Fiscal Year 2012 (FY12) budget request. Further, APTA strongly opposes any attempts to rescind or eliminate HSIPR funding. These funds are needed to ensure that the 32 States and the District of Columbia which are forging ahead with planning and implementing high-speed and intercity passenger rail improvements can continue their efforts to modernize and expand our Nation's passenger rail services.

Conclusion

I thank the Members of this Committee for your many years of leadership on public transportation policy. We hope that our recommendations can speed up the implementation of transportation projects without impacting environmental protections for all Americans and that such streamlining can reduce project costs in the bargain. We have tried to provide specific examples of how improvements can expedite that process. We look forward to working with the Committee as more details become available and we appreciate the opportunity to testify today.

PREPARED STATEMENT OF DALE J. MARISCO

EXECUTIVE DIRECTOR, COMMUNITY TRANSPORTATION ASSOCIATION OF AMERICA

MAY 19, 2011

Mr. Chairman and Members of the Committee: I want to express my appreciation for your invitation to be here today to discuss some of the important issues concerning reauthorization of our Nation's surface transportation programs. Our organization, the Community Transportation Association of America, was originally founded by those providing and advocating for new mobility strategies—not just within rural and urban communities but also in connecting these communities to each other and other regional destinations. Today, we represent more than 4,000 organizations and individuals dedicated to providing cost-effective and efficient mobility to all Americans.

My testimony today will focus upon five key aspects vital to any legislation reauthorizing surface transportation programs: mobility in rural areas, mobility in urban regions, the connectivity that is essential to linking those areas with each other, crucial changes needed in policy towards nonemergency medical transportation, and the finance challenge—or how we support a diversified transportation network.

I. A Platform for Rural Mobility

The State of Rural America

The challenges that impact rural transportation are inseparable from the larger conditions that define America's rural communities today. The economic downturn that has affected the entire Nation over the past several years is even more acutely felt in rural America. Average incomes are lower in these communities, while the cost of living is proportionally higher—as costs for everyday needs such as food, fuel and utilities gradually consume a larger percentage of paychecks. Gas price increases, for example, disproportionately impact rural residents who travel greater distances and tend to operate older, less fuel-efficient vehicles. This is especially true for the most at-risk populations, including seniors, people with disabilities, job seekers and veterans, who are often driven to the precipice of poverty while attempting to make ends meet.

Meanwhile, the revenue streams available to State and local governments to support rural communities are increasingly constrained through declines in property values and the stalled climate for economic development.

Rural areas face greater difficulty in capturing the value contained in their communities due to the growing distances its citizens need to travel in order to access employment, health care, and other essential services—compounding the inherent economic disadvantages of rural life. The census indicates a declining population for rural America. Indeed, a fundamental truth of today's rural America is emerging—a place where the needs are greater but the resources are less.

The State of Rural Transit

Rural transit service is as varied as the small towns and communities that it serves. No two systems are alike—from investment sources to service modes to passengers. Today, rural transit operators provide more trips than ever before and pro-

vide this service using an increasingly diverse array of service types. The traditional demand-response rural transit operation that once largely served senior citizens has been transformed in recent years to a full-service public transit agency with intermodal connections with intercity operators, employer-partnered van pools, essential nonemergency medical transportation trips (for example, dialysis and chemotherapy) and to our Nation's veterans and their families. These rural systems deploy state-of-the-art technology to ensure their operations are as cost-effective and efficient as possible.

The modern concept of coordinated transportation was invented by rural transit operators as they evolved and responded to the specific mobility needs in their communities. No single source of investment was sufficient so each operator learned to build both public and private partnerships in order to meet local demand. Today, the two most vital sources of rural transit investment are the FTA Section 5311 formula funding program and the Medicaid nonemergency transportation program.

Rural Connectivity Is Key

The twin challenges of providing transportation in rural communities, and responding to the significant and growing limitations of rural America present an urgent opportunity to build a connected network of mobility options to link people with destinations. Simply put, doing things the same ways they've always been done fails to recognize these self-evident realities of how rural Americans live, work, and participate in their communities today. The most proven approach to address this reshaped rural environment is through enhanced connectivity.

Spanning a range of human services, transportation systems, and physical locations, connectivity unites the mobility needs of rural Americans—and all Americans—by encouraging efficient and responsive linkages between the places people live and the destinations they need to reach. Sometimes connectivity is found in vibrant centers of community mobility—modern Union Stations—where transportation providers, community programs and economic development intersect. In other instances, connectivity becomes real when public organizations and private entities forge partnerships to meet the needs of a specific group of people through innovation and efficiency. In still others, the markers of connectivity are regional collaborations that transcend the jurisdictional boundaries that pose artificial and attitudinal barriers to neighbors helping neighbors. Many times, true connectivity encompasses all of these elements working in concert.

Regardless of how it is achieved, the investment, resources, and programs which make connectivity possible are urgently needed to further expand mobility options and make real progress in responding to the state of rural America today.

Rural Transit Builds Economic Development and Jobs

Rural transit does more than move people, it also builds rural economies by connecting local residents with expanded regional job opportunities, by allowing residents to continue living in rural communities and by helping revitalize small town main streets.

Our members are not only significant local employers themselves, they are working with both large and small local employers to develop employee transportation routes throughout rural regions, sometimes as part of existing fixed-route services and in others, developing specific employment routes in concert with the employer. Sometimes these routes cross county lines, in other cases, they cross State lines. In every case, they facilitate employment and allow employees and their paychecks access to their hometowns.

In some communities—including tribal areas—rural public transit agencies are building a smaller-scale version of transportation-oriented development that can help revitalize main streets by focusing together people, human services, retail outlets, regional connections, and commercial opportunities. These smaller-scale intermodal stations often connect with private intercity bus lines and taxi companies to help connect local residents with nearby cities and airports. Rural public transit has a significant role to play in reviving rural America and helping its residents get back to work.

Rural Transit Serves At-Risk Populations

The people who depend upon rural public transit services are often those for whom there is no other way to go. Older Americans, people with disabilities, the working poor, disabled veterans, Native Americans, and more need effective mobility to avoid the stifling isolation that degrades their health, independence, employment, education, and overall quality of life.

The growing population of older Americans in rural communities absolutely depends on their local transit systems to be able to age-in-place and live out their years in the communities they call home. From health care appointments to con-

gregate meals to shopping and social outings, rural public transit is vital to the fastest growing segment of the rural population: seniors.

The population of veterans returning after service in Iraq and Afghanistan is disproportionately rural and requires cost-effective connections to both local and regional VA health care facilities, as well as to the educational and employment opportunities they will need to reintegrate back into society.

Our Nation's Tribal communities, too, are largely rural in nature and require transit operations for effective connections to health care, to employment, to social service providers, among others. Across the country, Tribal leaders are embracing transit as a viable means of local economic development and connectivity.

Medical Transportation Emerges as a Top Priority

Since its inception, rural public and tribal transit has been engaged in providing rural residents with important connections to medical care. These nonemergency transportation services have been important to residents of all ages, but especially to the elderly. Demand for these services has increased dramatically over the last decade since changes in the delivery of health care have introduced major consequences for rural Americans. Part of this increased demand is created by having more health care delivered in noninstitutional settings, such as outpatient care. This is especially difficult for rural transit providers because these increases have occurred at a time when many smaller hospitals and primary care providers have left smaller communities where service volume is lower. Consequently rural transit must take residents further and further from their homes to reach routine—as well as specialized—services. This is especially true of the growing need for transportation for dialysis services. Rural public transit is often the only option to connect people with these services.

Changes in the health care marketplace as well as the implications of health reform will increase the utilization of noninstitutional care. Growing senior populations in rural communities will also enhance the need for such services. CTAA members report that in some communities the demand for service to health care means that little capacity is available for other mobility needs. The current rural transit program—financed through Section 5311—offers local communities and mobility providers flexible ways to provide services in this area.

The clear and steady progress on providing this service has been severely challenged across rural America in the last 2 years. The severe budget crisis affecting most States have had a dramatic impact on rural services, as have the changes States are implementing in health care, such as new Medicaid administration models.

There is a greater need for more supportive coordination efforts with local health care institutions, as well as developing coordinated efforts that create mobility partnerships with local ambulance and medical transfer providers, since rural residents will need a combination of these services to live at home in the years ahead.

Streamlining

As essential to the continued reinvestment in rural America and its mobility options is a rethinking of the sources of investment and the policy structures which help support rural transportation providers. Although continued investment in rural transportation—and transit systems in all communities—is always needed and appreciated, the bureaucratic procedures and programs installed around those resources frequently become burdensome to transportation providers and often serve as barriers to progress and innovation.

Several transit investment programs administered by Federal agencies stipulate hundreds of conditions in order to qualify, often so many that some transportation providers avoid them altogether, for the return in resources does not match the effort needed to obtain them. So-called competitive programs often see reduced interest from rural communities simple because these areas lack the funds to access professional grant writing and therefore never apply. Likewise, transportation legislation often includes restrictions on how recipients can utilize that investment or requires a local match—conditions which impose strict limitations on budgetary decision making and fiscal creativity, especially during tough economic times, like today. And the process by which these policies are crafted is nearly always devoid of input from the very people they impact: the professionals and experts who lead our Nation's transportation systems and the riders for whom they benefit.

A substantial reenvisioning is necessary of not only what our Nation's transportation policies require, but—perhaps more importantly—how they are created in the first place.

The Local Share Challenge

Among the most pressing issues facing rural transit operators is the challenge of finding and maintaining the local share necessary to match Section 5311 operating and capital investment. The poor state of local rural economies, combined with unprecedented large State budget deficits, is the crux of this dilemma.

Many CTAA members report that increasing or even maintaining Section 5311 formula funds in the next transportation reauthorization bill is not enough—that they need States and localities to fully adopt all of the flexibility available in developing local match options. We hope that the Congress can initiate these important discussions with the States.

During development of the last reauthorization—SAFETEA-LU—Section 5311 local share flexibility was offered to States with large tracts of Federal land. We would like to explore a similar concept based on local unemployment figures and/or fuel prices as a trigger for lowering local match ratios for rural public transit agencies.

Rural Transit's Need for Revenue of Our Own

There is a unique context in transit revenue development in rural communities. Rural transit often approaches service development from the need in the community, as opposed to providing services based on what funding is available. That's why we think it's not unusual to find many rural agencies—regardless of their size or sophistication—still engaged in what we call the bake sale approach, looking for every possibility to fund the local share of their services, or to arrange investment to provide service when the State distributes its 5311 allocations.

The economic situation of the last several years has disrupted this traditional partnership, as the financial impact of the recession has hurt the local financial resources for rural service. Unlike larger transit authorities in urbanized areas, there are very few ways to create special taxing or revenue districts to offset these changes in State revenue. Additionally, local governments in rural America tend to lack additional resources, especially in periods of economy decline.

Rural transit needs additional sources of capital to meet its needs, but also clearly needs some form of financing it can depend on—not just in difficult economic times, but in good ones as well. Considering the lack of alternatives to creating rural financing mechanisms, we favor creating changes in current rural transit regulations that would allow the funds generated through the fare box in rural transit to be considered flexible local revenue, as they are in urban areas. These flexible funds could be used to establish operating reserves for local transit, as well as provide funds that could be leveraged to help local agencies pay for capital improvements. This would provide a direct link between the fare box and improved services for local residents, ensuring that they have an easily understood way to do their part to help their local transit system make improvements that benefit them. The ability to use these funds for leverage will also help local systems develop better long-term plans based upon ridership assumptions that can be linked to revenue. It would also create a better understanding in the local and State political processes that a community can make a commitment to transit by setting out a fair policy for fare box revenue when they cannot raise funds in other more traditional methods.

Empowerment and local decision making is dependent on having some revenue that belongs to a transit system alone. Giving rural transit this flexibility funds provides that empowerment.

II. A Platform for Urban Mobility

The State of Urban America

Although the early years of the 20th century marked the most massive expansion of cities in our Nation's history, the initial stages of the 21st century continues to witness the increasing urbanization of America. According to the 2010 Census, more than 80 percent of Americans reside in urban areas, advancing a trend that began in 1920—when, for the first time in history, the majority of Americans began living in urban areas. Moreover, the urbanization of America is projected to continue unabated, with the cumulative urban population drawing closer to 90 percent by the end of the current century.

And yet, a greater share of the population has not translated to greater resources or heightened prosperity in cities both large and small. Poverty rates in urban areas have been exacerbated by greater numbers of people, indeed, the majority of Medicaid recipients live in urban communities. At the same time, growing numbers of urban residents are dependent on fiscal supports and social services while the cost of living in these areas continues to climb. Despite the concentration of people and services in urban regions, significant numbers of urban dwellers are nonetheless iso-

lated from fully engaging in their communities. Increasingly congested thoroughfares, economic districts and neighborhoods dampen the vibrancy of many metropolitan regions. According to the Texas Transit Institute, in 2010, U.S. traffic congestion cost more than \$87 billion in lost productivity, while wasting 2.8 billion gallons of gasoline.

The State of Urban Transit

When many people think of public transit in urban areas, they think of buses and trains taking people to and from work. And that is certainly a large and vital aspect of what constitutes public transportation in our Nation's metropolitan regions. But other important elements and purposes come together to form the true fabric of mobility in urban communities. Transit takes people to health care, shopping, community services—such as those for seniors and veterans—school, child care, and a myriad other destinations, and at increasingly greater numbers. The work of connecting people in both large cities and smaller urban areas is more than a collection of vehicles or routes on a map, but a broad and continuing effort to respond to the mobility needs with a range of services and options.

Ridership on most urban public transportation systems has seen steady growth over the past decade—particularly in recent months as rising gas prices have encouraged many to seek alternative means of travel. At the same time, however, local economic factors have forced many urban transit systems to raise fares and cutback service. Since January 2009, more than 80 percent of transit systems have had to reduce service and increase fares, according to the American Public Transportation Association. Such a paradoxical response to their success in attracting riders suggests an urgent need to provide stable investment and resources to allow transit operators to do what they do best: connect riders with the destinations they need to reach in the most responsive and efficient manner.

Urban Isolation

A fundamental paradox of urban life is that while cities and metropolitan regions bring together substantial amounts of both people and activity—often in very dense accumulations, that very same consolidation of population and destinations can pose barriers to the same people most in need of help. Older people, people with disabilities, the working poor, and many others can be trapped by the challenges of urban communities, including outdated and difficult-to-navigate infrastructure, a lack of connections with family or friends, and higher costs for products and services—to name a few—all of which impact mobility options.

Transportation networks are both the cause of—and the solution to—the isolation of urban residents. Many of those barriers are the consequence of poor planning and the outdated thinking of long ago: highways decimate established neighborhoods and important community assets such as sidewalks and public facilities cultivate an infrastructure of isolation. Meanwhile, due to a shortfalls in resources and investment from local, State, and Federal programs, transit operators in urban areas are increasingly forced to struggle with antiquated facilities—many of them inaccessible to people with disabilities and seniors—reduced service and increased fares, further impeding the necessities of daily life for many. Those same service cuts also disproportionately hurt those who utilize complimentary paratransit services, for when fixed-route service is reduced or eliminated, the paratransit service which responded to those within a $\frac{3}{4}$ mile on either side of the route is similarly reduced or eliminated.

Conversely, a vibrant and responsive set of mobility options can be the salve to overcome the challenges of urban communities for people, connecting them with health care, community programs, and key destinations that leverage the totality of resources in metropolitan regions. And voters are responding. In the past 3 years, local transit referenda designed to increase local investment have been approved at a more than 70 percent rate. The charge for policy makers at all levels is aligning the investment and policy directions necessary to support this type of urban mobility.

Transportation for Treatment

One of the most urgent and evolving aspects of contemporary urban life is the need to access quality health care. And, fortunately, cities are the most common locations to station massive medical facilities, with most specializing in crucial elements of care—from cancer centers to cardiovascular treatment. More frequently, these urban health campuses or districts are becoming substantial generators of community activity, with large swaths of regional economies tied into their output. Significant health care corridors such as those in Cleveland, Ohio, and Rochester, Minnesota, demonstrate this new way of orchestrating large-scale health care. At the same time, publicly supported health care—such as Medicaid and the VA health

care system—is focusing on consolidating services at these megahealth care locations to boost efficiency and leverage expertise within the same premises. This evolving approach, which combines centralized services with greater use of outpatient methodologies, reflects the new realities of how health care is organized and delivered across the Nation.

Growing activity at regional medical centers necessarily impacts urban mobility. Aside from the generation of new congestion on roadways to and at these facilities, a sizeable cohort of doctors, medical professionals, patients, family caregivers, administrators, workers, and visitors all must access them regularly, and many of them are able to drive themselves to interact with needed care. Accordingly, the vehicles of public and community transportation providers will be increasingly relied upon to connect people with metropolitan health care centers, and transit professionals should carefully consider how to respond to this expanding segment of trips with appropriate routes and service hours, especially when much of health care provision occurs away from the traditional transit peak periods. Additionally, those planning the development of these medical campuses must work with transportation leaders to identify how all elements of mobility can come together to better serve their important destinations.

Getting to Work

Even as the need for transit to connect with burgeoning health care facilities becomes more pronounced, urban transportation systems still generate the foundation of their ridership by taking people from home to work and back. From the halcyon days of the 5:15 commuter train to more modern applications of transit stops contained directly within employment locations, many city commuters look to transit as their primary means of accessing their jobs. And transit providers everywhere do a fantastic job in fulfilling this mission, delivering riders efficiently, reliably, and affordably, day in and out.

Increasing gas prices are today adding new transit commuter demand. And as the Nation's economy gradually recovers from its recent downturn, urban residents returning to work will once again look to transit to take them, but perhaps in new ways. New work shifts will expand the need for travel options during midday- and late-night periods, as will newly created jobs at locations previously unserved by rail lines or bus routes. Moreover, low-income workers need to realize every penny of their income to make ends meet, so they are disproportionately affected by fare increases and service cutbacks. When combined, these emerging employment trends will require transit professionals to reconsider how to best serve their core audience of commuters, and demand proactive partnerships between transportation providers and employers to transport workers most effectively. Policy makers can aid in the process by incentivizing these collaborations through new investment and streamlined regulations to encourage service innovation. Those policy discussions should also be mindful of the important relationship between housing costs and commuting options. CTAA has housed the JOBLINKS Initiative that develops important resources, best practices, toolkits, and demonstration programs to build successful employment transportation solutions. This program needs to be continued in the next surface transportation reauthorization.

Coordinating Options

Urban areas are often the greatest incubators of transportation services, with a host of systems, operators—both public and private—and locations offering ways to reach various destinations. In the largest metropolitan regions, there can be dozens of passenger rail services, bus operations, taxi companies, passenger stations, and other transportation elements from which riders can choose. The key to transforming urban areas into dynamic and healthy places for both economic activity and societal well being is ensuring that a blend of options and networks work together.

A collection of aspects must be integrated with purpose to ensure passengers can access individual transit services as a cohesive network, with informational tools and fare processing media at the heart of these components. Whether its maps and brochures, customer service professionals or the increasingly important world of social networking, the manner by which riders understand how various mobility options interact is fundamental to achieving a regional approach to transportation. Organizations and agencies must collaborate to clarify their messages and simply instructions on how to navigate confusing elements such as transfers and timetables, and encourage their patrons to take advantage of connecting services. Likewise, unifying fare collection through a single system—such as an electronic fare card—can more easily facilitate links for passengers on multiple operations, while still delivering accountable farebox revenues to the individual providers.

Connectivity

A well-run urban transportation network is only as effective as the connections it offers to key destinations within and beyond the community. Often, this activity occurs at a central location—an intermodal facility where local transit routes meet intercity bus and rail services, along with a mix of retail, residential, and commercial development as well as vital community services. Transit always has—and will continue to have—an indivisible role in the rail and bus stations that have historically been key nexuses of urban life.

It is also increasingly apparent that new regional destinations are emerging in and around metropolitan areas where services are colocated and travel demand is growing. A prime example is regional medical facilities, which are quickly becoming significant generators of not only transit trips, but also overall economic activity. Likewise, the development of town retail centers and revitalized historic districts colocate attractions, commerce, and housing, all of which are dependent on strong transit connections in order to succeed. By focusing urban transit service—as well as rural transportation and intercity routes—at these dynamic locations, riders benefit from easy linkages to vital services and destinations, while the community realizes more effective uses of investment and resources.

Assisting Operations

One of the most acute impacts of the economic downturn was felt in tandem by transit riders and employees as many urban transit operators were forced to raise fares and cut service in response to severe budget limitations caused by dwindling local revenues and falling ridership, as unemployed workers stayed home. These systems often had little choice in these decisions, as the full range of investment options were not available to them. For years, transportation providers in rural areas and smaller urban communities with populations under 200,000 have been allowed to utilize the investment provided by the Federal Government to support either capital or operating costs, while urban systems in areas over 200,000 were restricted to the former. And during times while economic conditions were strong, many State and local governments were able to allocate resources to support their transit systems' operating budgets.

Currently, those same local and State coffers which provided resources for transit operating costs have been drained by plummeting local sales tax revenues and devalued property rates, which cut into State budgets. As a result, State and local governments were faced with fewer resources to respond to the same needs, for everything from education to law enforcement. Leaders were forced into an inescapable choice between a host of vital programs and services, and, frequently, transit was the victim.

A change in Federal policy is urgently needed to allow urban transit systems to weather these fiscal storms that decimate State and local budgets. By allowing communities over 200,000 residents the flexibility to determine on their own how best to use their resources—if only for a temporary period—Federal leaders could save transit service for those who need it most while also safeguarding the jobs of transit workers who provide the best kind of public service. This flexibility is particularly necessary for the more than 90 small communities around the Nation—each of which is under 200,000 population—that have, through no fault of their own, found themselves agglomerated by the 2010 Census into large urban areas and which will go from 100 percent match to zero percent flexibility. The legislation drafted last year by Congressman Russ Carnahan (H.R. 2746)—and later introduced in the Senate by Senator Sherrod Brown (S. 3189)—is a solid platform address the need for transit operating assistance and an updated version should be considered by the current Congress. Any legislation directed towards resolving the operating assistance challenge should include provisions to support full operating flexibility for transit systems—regardless of the populations of those service areas—operating less than 100 vehicles in peak service.

Reinvesting in Urban Communities

Few other arrows in the economic development quiver excite policy makers as much as community reinvestment tied to transit. As one of the most successful public-private partnership concepts available, these approaches are proven generators of economic activity. The presence of vibrant transit options makes new development projects attractive to occupants and customers, while opening up existing and revitalized areas to new audiences. The success of the Rosslyn-Ballston corridor in Arlington, VA, in focusing development around its Orange Line Metro stations is a model for the interaction between transit and development. Transit and development work as symbiotic partners to generate activity: bus and rail lines deliver pa-

trons and visitors to appealing destinations, while those same locations produce riders for the transit network.

Accordingly, a robust collection of modes in community and public transportation can thread the economic development needle most accurately through their combination of capacity, minimal construction impacts and cohesive integration of their operations within the fabric of a community. New and expanded transit services should be cultivated not only in their ability to meet mobility needs and generate ridership, but also by spurring development and revitalization in some segment or district along their route. Otherwise, some of their most important benefits are lost. Moreover, cost-effectiveness and project selection processes must be honed in order to give proper credit to projects where these important community benefits are included.

Remembering the Lesson of the PCC

The needs and nuances of providing transit options are as varied as there are metropolitan communities. The specifics of demographics, local governance and politics, and neighborhood identities are just some of the factors that shape urban environments. And yet, much is the same among urban transit providers, no matter their location: vehicles and equipment must be procured; standards and measurements are required for safety and performance; and common practices for concepts such as community reinvestment, intermodalism, and coordination remain constant in most urban areas.

By working together as an industry, leaders in urban transit can establish best practices and common standards to purchase vehicles more efficiently, cultivate a strong safety culture as an industry, and ensure transit projects are synonymous with success. And to those who say it cannot be done because the differences are too great, recall how—more than a half-century ago—a group of rival streetcar systems worked together to create the Presidents' Conference Committee (PCC) vehicle that bolstered their fiscal health in a time of increasing competition from the automobile by leveraging their collective purchasing power. The same is true in the airline industry, where the safety performance of one airline impacts the others, and no advertisements boast one carrier to be safer than their rivals. A similar foundation of shared interest is needed among transit providers to face the challenges of today and tomorrow.

Planes, Trains, and Transit

Among the increasingly important regional destinations we discussed above as key anchors of connectivity are airports. Once considered as a competing mode of travel and divorced from the larger transportation network, airports are frequently becoming important intermodal centers in their own right, where travelers can interact with a number of mobility options. A host of airports already have direct links to metropolitan passenger rail systems, and nearly all are served by local and regional bus routes.

A new vision of connected mobility must include recognition of this growing role of airports and facilitate even better linkages between modes. Intercity bus routes that serve both urban and rural communities should be welcomed at air travel facilities, especially major hub locations, and forthcoming high-speed and intercity rail lines must offer easy connections to airports along their routes—as is already common in Europe and Asia. At the same time, new technology allows for easier coordination between providers, so that a trip of a single individual could be routed via a local transit system to an intercity bus or rail line, which feeds to a busy airport for a intra- or intercontinental flight. By including elements such as schedules, luggage transfers, and security clearances as unified transportation network, new efficiency and responsiveness can be realized by allowing each mode to focus on the core passenger sectors they serve best.

Supporting Urban Transit

A multifaceted approach to supporting mobility areas should include a realistic assessment of how Americans live, work and interact in metropolitan communities, as well as a frank discussion of the challenges of providing transit service in urban areas when faced with constrained budgets from State and local sources. When 80 percent of our Nation's transit systems were forced to reduce service and/or increase fares, a new way of thinking is needed to help these vital elements of our society undertake the missions for which they were charged.

III. A Platform for Connectivity

Connectivity: Seamlessly Combining the Surface Mobility System

The most significant issue in the future of the American surface transportation network will be the connectivity between its emerging modes. The ease with which we can seamlessly transfer from and between urban, rural, and intercity bus and rail operations—to say nothing of shared rides, taxis, and bike/pedestrian modes—will be the future litmus test of the cohesive, user-friendly mobility network our Nation so badly needs.

Improving connectivity is a central policy aim of the Community Transportation Association of America, and has been so since we first published our New Surface Mobility Vision for America 2 years ago. Our members have told us that only through vastly improved connectivity can the full measure of our transportation investments and infrastructure be maximized for both mobility and economic factors. The continued isolated development of the Nation's varied surface transportation elements would not only isolate and fragment communities and people, but it would squander the vital opportunity that reauthorization presents.

What Connectivity Looks Like

Surface transportation connectivity, in practice, can be a great many things. From scheduling and ticketing to timed transfers and intermodal facilities, connectivity among transportation modes is both operational as well as infrastructure. Customer service and training plays a vital role, as does regional planning. Most important is the understanding of trip generators and destinations—for example employment centers, health care campuses, educational institutions, and social services.

Connections between and among rural and urban areas has long been the focus of the Association's connectivity agenda. Initially, we graphically represented this objective with a map of the State of New Hampshire that highlighted not only the urban and rural transit systems, but the ideal connections between the two. In some cases, we foresee these connections being made via passenger rail—both of the higher speed and regular speed variety. However, the majority of the connections will be made by intercity bus operators, whose point-to-point and intercity services have grown significantly during the past decade.

Disconnectivity: The Rural Story

Across rural America, the connectivity story is a bleak one. Consider the following facts, culled from a February 2011 report from the U.S. Department of Transportation's Bureau of Transportation Statistics:

- Between 2005 and 2010, 3.5 million rural residents lost access to scheduled intercity transportation, increasing the percentage of rural residents without such access to 11 percent.
- 8.9 million rural residents now lack access to intercity transportation.
- Of the 71.9 million rural Americans who retain intercity transportation access today, 3.7 million lost access to more than one mode of transport since 2005.
- In Alabama alone, 700,000 people lost access to intercity transportation since 2005. In contrast, all rural residents in Delaware, Massachusetts, New Jersey, and Rhode Island have such access.
- Intercity bus provides coverage to the largest number of rural residents in 2010, followed by scheduled air service, intercity rail, and intercity ferry operations.

Clearly, the ongoing economic vitality of rural America is reliant upon improved passenger connectivity—particularly as it relates to access to jobs, to health care and to educational opportunities. The most recent census data indicates that fewer Americans than at almost any time in our history currently reside in rural areas. Yet as those populations decline, isolation increases as those who are leaving are, typically, the most mobile. Reconnecting rural America will surely boost these economies.

Modern Union Stations

The number of transportation modes in urban America far outweigh those that exist in the rural parts of the country, but the connectivity challenge persists. Indeed, in these areas the issue is bringing together these various modes to provide more seamless connections. It's often a question of place and of infrastructure. We like to call these connectivity hubs modern union stations.

Union Stations first came into the national consciousness when the major railroads of the late 19th and early 20th centuries would partner on such enormous and influential structures as Grand Central Terminal or the Union Stations in such cit-

ies as Washington, DC, and Chicago. Simply put, a union station was one in which multiple railroads came together.

Modern union stations bring together various transportation modes, rather than various railroads. Ideally, they employ unified travel information and ticketing options for passengers. And just like their predecessors from the previous century, they usher people into the community in the most seamless fashion and can become hubs of economic activity—from retail to commercial to even residential. These facilities can also house vital social services, libraries, child care, and more.

The mobility components of a modern union station can include some combination of the following: local, scheduled bus services; circulator bus services; taxis; intercity bus operations; intercity rail; subways; streetcars; light rail; van pools; car share services; and ferries. In short, as many forms of surface transportation as possible. CTAA has developed a pilot program concept for transit centers in small towns that addresses this important issue.

What About Airports?

One key connectivity hub that bears mentioning is airports. From an economic standpoint, airports are crucial, as in many cases they constitute a community's access to the rest of the world. Yet both institutionally and legislatively, our Nation's airports do not serve the greater connectivity role that they might. Fully conceptualized modern union stations are rare at our Nation's airports. One clear reason: airport authorities rarely choose to spend any of their passenger facility charges—which raised \$2.5 billion in 2009—on truly intermodal facilities. Intercity buses, for example, are effectively barred from most airport grounds.

The Community Transportation Association of America proposes a renewed look at the role of airports—particularly as they relate to the surface transportation network. As Congress debates a reauthorization for the Federal Aviation Administration, one challenge has been the continuation of the Essential Air Service program that subsidizes passenger trips out of smaller town airports—the only means by which some smaller airports survive. A robust national intermodal connectivity plan that connects more communities with intercity bus and rail services would significantly impact the Essential Air Service issue.

All of America—Rural and Urban Areas Alike—Needs Improved Connectivity

Enhanced connectivity—deploying all modes and coming together at strategically located modern union stations—will have significant economic and social impacts on our Nation. It will ensure that we derive the most from current and future surface transportation investments and it bring new alternative mobility forms to millions of Americans. The Association strongly supports continuation of the National Resource Center for Human Service Transportation Coordination, a national effort to promote resources and assist with vital coordination efforts that enhance urban, rural, and regional connectivity.

IV. The Negotiated Procurement Solution for Medicaid Nonemergency Transportation

Background

The two most significant Federal assets available to address mobility for individuals are found in two different areas of the Executive Branch: the public transportation programs operated by State and local entities through the U.S. Department of Transportation (DOT), and the patient transportation programs operated by State and local entities and funded through the U.S. Department of Health and Human Services' (DHHS) Medicaid program. Both these services have been developed over the last three decades and have been the source of numerous collaboration and coordination discussions in an effort to achieve the most cost-effective financial outcome for the Government and efficient service to the end users.

The key challenge to these coordination strategies is rooted in the legislative history of the two programs. In our public transportation programs, Congress's focus has been on service in various areas and localities. While in our health care transportation efforts, Congress has focused on services for individual patients. Since the Federal Government delivers these services through different State agencies and local providers, it is hard to reconcile these efforts in a way that produces the efficiency and financial benefit that would help these programs be more cost effective and allow for improved collaboration between the two.

Negotiated Procurement

Because these two systems follow different paths and priorities from their Federal sponsors to the end users, barriers to effective partnerships have emerged with the different procurement systems and methodologies each Federal agency employs. In

the case of CMS and their State grantees, DOT-certified public agencies cannot coordinate efforts with their Medicaid-funded peers unless they enter into a competitive procurement policy that treats public transportation entities as private businesses. By using a system that searches for the lowest responsive cost, the Federal Government is indirectly and inefficiently pitting itself against itself—when a government-to-government negotiation would be a far more effective and cost-efficient alternative. Further, the two programs approach service from very different perspectives—one based on the individual, one based on point-to-point service. The interests of both Federal investments can be achieved fairly through negotiation.

The Authorizing Opportunity

We believe that Congress should take the lead in trying to develop a mutual standard for negotiation of mobility costs between the DOT-funded efforts and those of DHHS. This standard would include an acknowledgement that DOT and DHHS agencies at the State and local level can arrive at transportation arrangements through a negotiated process as opposed to the current competitive procurement. Since CMS and DOT follow separate legislative mandates, discussion at the authorizing level that leads to Congressional action is the primary way to achieve this outcome.

Conflict of Interest

CMS policies have placed public transportation providers in the same conflict of interest policies they employ with doctors. For instance, in the CMS broker rule a public transit agency that has a call center supported by DOT and other public funds cannot enter a procurement to provide nonemergency medical transportation services to those in the area because providing the call center service and the transportation is deemed a conflict of interest. In its regulations CMS cites as an example not allowing a doctor to send patients to lab services if they own the lab. Of course this example is based on a private physician profiting from such a relationship. In the case the transit call center, the public transit agency is a Government entity using Federal funds whose board members do not have a financial interest similar to a private doctor and a private clinic. We believe a negotiated procurement process could avoid these issues altogether.

The Bus Pass

There is no better and more cost-effective way to provide access services to ambulatory Medicaid recipients living in urban communities than by using or purchasing bus passes for individual patients who need medical transportation. A survey recently conducted in Houston found that 80 percent of the ambulatory Medicaid population lived within a quarter-of-a-mile of existing transit bus stops. Yet because Medicaid funds must be spent on medical trips—and with the program's emphasis on individual patients—there is a concern that Medicaid recipients can use these passes for other, nonmedical, trips since bus passes provide open-door service for all riders. So one of the simplest ways of reducing Medicaid program mobility costs is not allowed in many States. We need legislation that allows CMS to accept bus passes without taking individual trips since, typically, it only takes two trips to pay for an entire pass.

Moving Forward

We believe the best way to move forward is for the Senate Finance Committee to consider allowing CMS to accept DOT-certified public transit agencies to be equal in status for a negotiated procurement that would alleviate the systemic problems in the current environment. In this case, CMS would allow and encourage State Medicaid agencies to negotiate for mobility services with public transit agencies that wish to accommodate Medicaid patients within their service area—especially in areas with fixed route services and bus pass options. A negotiated or cost-sharing approach best serves the interest of the Federal Government—both as the payer of health care and public transportation services.

V. The Finance Challenge: Supporting a Diversified Transportation Network

The most difficult aspect of any transportation policy discussion—like this one in which DigitalCT is engaging its readers—is how to pay for the additional infrastructure and service that is clearly necessary. We are now approaching 2 years since the last reauthorization, SAFETEA-LU, expired and though both the Congress and Obama administration have put forward well-crafted plans, none have offered any specific additional transportation resource ideas.

The traditional highway and transit trust fund—paid for by Federal gas tax receipts—can no longer keep pace with demand. The fact of the matter is that general

revenue appropriations have long been used by legislators to keep the surface transportation whole. Just to keep up with the highway spending mandated in SAFETEA, the fund has been infused with more than \$30 billion in general funds in the past 2 years. Rising gas prices and the increasing popularity of hybrid automobiles is likely to once again cut into those receipts. The consequence of not finding any new transportation investment streams is clear.

Though this article deals largely with various concepts to infuse the transportation trust fund with a more diverse collection of investments, it must be reiterated that the trust fund, alone, does not make up the entirety of transportation investment efforts—and never has. For years and going back a number of Federal authorization cycles, general revenue funds have been tapped to complete the entire funding picture. What's more, and as community transportation providers are well aware, a vast network of human service program investments—particularly Medicaid, which annually adds more than \$2 billion for nonemergency transportation—has evolved in the past three decades that also must be considered when exploring the transportation finance challenge.

A number of ideas have arisen in recent years about how to infuse the trust fund with the necessary revenue to meet demand. In this section of our Policy edition, we share a collection of those ideas—from Commissions to members of Congress, think tanks to best practices from other countries. The Community Transportation Association believes that now is the time to fully discuss the myriad methods of raising additional investment for our Nation's surface transportation network and to devise a national strategy to do just that.

The Gas Tax

The simplest solution put forward thus far is to raise the gas tax from its current 18.4 cents per gallon. This tax, or user fee, has not been raised since 1992 and has seen significant erosion in its buying power over the past 19 years. That said, most members of Congress and the Obama administration have steadfastly refused to entertain this option.

Senator Tom Carper of Delaware is an exception. In November, he and since-retired Ohio Senator George Voinovich proposed a one-cent-per-month for a 25-month period. "Within the proposed increase," wrote the Senators, "10 cents should be temporarily used for deficit reduction, raising \$83 billion over 5 years, and 15 cents should fund transportation improvements providing \$117 billion in new investments over the same 5 years. Once the deficit is under control, the 10-cent increase for debt reduction should revert back to transportation funding."

Last December, the National Commission on Fiscal Responsibility and Reform—a bipartisan group charged with addressing the Nation's fiscal challenges—acknowledged that fully funding the transportation trust fund, rather than relying on deficit spending, would be vital. The Commission recommended dedicating a 15-cent increase in the Federal gas tax to transportation funding, and then limiting Federal transportation spending to only what exists in the trust fund.

Similarly, SAFETEA-LU mandated the development of a commission to examine transportation investment in the post-SAFETEA period. The National Surface Transportation Infrastructure Financing Commission, in its "Paying OurWay" report that was released in February, 2009, made some significant trust fund recommendations as it spotlighted the widening gap between surface transportation needs and demand. Key among them was to raise the Federal gas tax by 10 cents to maintain the current surface transportation program. The report found, in 2009, a 10-cent increase would cost the average household \$9 per month, or \$5 per month per vehicle.

Such increases in the Federal gas tax, though significant, are nothing compared to the fluctuations of the average price over the past two decades (see a fantastic FloatingData informational graphic [here](#)). Weather events, foreign policy changes and regional instability in oil producing parts of the globe, to say nothing of oil company profiteering, all conspire to create wild fluctuations in gas prices at your local filling station. In recent months, prices have risen more than 90-cents per gallon.

CTAA would also support a concept that captures additional gas tax revenues by "keeping," for example, five cents in an additional gas tax for every 50 cents the national price goes down, in order to introduce an increase in the gas tax at a time when it might be more palatable to elected officials and the American public.

All that said, the overall unpalatability of raising the Federal gas tax is clear. The Administration and key Congressional leaders are currently dead set against it. And as is often the case, this reluctance creates opportunities to discuss and advocate for a more diversified surface transportation investment strategy that is more representative of both the political- and transportation-demand realities and that offers

what the Community Transportation Association of America likes to call, a way forward.

Taxing Oil Companies

One such strategy would be to abandon any consumer-based increase to fund expanded and necessary surface transportation infrastructure investments, and focus on the oil companies themselves. In January, earnings statements from the largest oil producers showed between 50 percent and 75 percent profit increases for 2010. Recently, Money Magazine found three of the world's top four profit-earning companies to be oil companies. In October 2008—after the last steep oil price surge—Exxon/Mobile produced the highest single profit margin in United States history at nearly \$15 billion.

In response to these enormous profits, politicians at various levels of government—from President Obama to Governors—have examined windfall profit taxes and even per-barrel surcharges. Former Pennsylvania Governor Ed Rendell has been an outspoken advocate to utilize such methods to reinvest in his State's surface transportation program and in August proposed an 8-percent levy on the gross profits of oil companies which he alleges have been largely able to avoid his State's corporate net income taxes. "The time to act is now," said Rendell.

President Obama, in the run-up to his 2008 election, proposed targeting oil company profits by taxing each barrel of oil costing more than \$80—a concept which would have raised somewhere between \$10 and \$15 billion. The President's concept, however, would not have raised this investment for surface transportation investment, but rather for middle- and low-income working families tax relief. We believe similar concepts—targeted specifically to surface transportation infrastructure investments and including language to mitigate these fees simply being passed on to consumers, would be a vital contribution to a diversified investment stream and should be explored as actively as a gas tax increase. Lastly, the Association supports ending major tax subsidies for highly for oil companies and using those recovered funds to invest in our Nation's surface transportation program.

Bonding Major Capital Investments

As in past reauthorization debates, the Community Transportation Association continues to support bonding concepts to fully fund the building of nationally significant surface transportation infrastructure. These important concepts promote cost-effective and efficient public-private partnerships and bring much needed private capital into our diversified investment scheme.

A critical component in our advocating for such a bonding concept, is to free up traditional—often formula-based—public and community transportation investments from much larger scale urban mobility projects, both politically and in terms of competing for scarce resources.

Senator Max Baucus of Montana, Chair of the Senate Finance Committee and a member of the previously cited Deficit Commission, has long been an ardent supporter of bonding. In an interview with the TransportationNation blog last year, he noted: "I think we need a debate. There are a lot of options. One is, for example, more bonding. Congress passed a program a couple of years ago called 'Build America Bonds' for municipalities to develop infrastructure, primarily. And that took off. That was only to raise about \$4 billion in financing but actually \$150 billion in bonds have been issued. That is a way to finance infrastructure financing." We agree.

Vehicle Miles Traveled

In Europe, a common method of raising investments for surface transportation infrastructure is to charge a simple per-mile user fee for driving. The National Surface Transportation Infrastructure Financing Commission, in its "Paying OurWay" report, cited the fact that any investment strategy relying solely upon a per-gallon tax on gas is both "unsustainable" and "likely to erode more quickly than previously thought." That commission recommended looking at ways of educating Americans about both the necessity and veracity of a "user-pay" or vehicle miles traveled (VMT) system, which emerged as the consensus of the participants.

Typically, these types of systems involve the deployment of technology in an automobile that measures distance traveled—and specifically not where a vehicle has traveled. Clearly, this type of system would disproportionately impact rural America as these residents typically need to driver further to access employment, health care, education, and more. So any such system must include caps or special attention to rural America. Yet there is a more fundamental challenge with VMT.

The current American political environment does not seem at all ready to embrace the idea of the Government, in any shape or form, monitoring the travel patterns of its citizens—even if only to gauge distances traveled. In fact, the amount of ran-

cor the VMT issue would engender may not, at least in the current environment, be conducive to sound surface transportation policy. The SAFETEA finance commission noted as much in its conclusions, “transitioning from a fuel tax-based system to one based more directly on use of the system measured by miles will require a great deal of planning and public education. But that is no reason to delay the transition.”

The Community Transportation Association of America supports this educational effort as part of an overall surface transportation finance overhaul, but acknowledges that VMT is most likely a second—or next—generation solution.

Congestion Pricing Corridors

Congestion pricing is far more than a simple tax strategy to manage traffic within a given corridor or boundary. It also constitutes a real way to raise significant surface transportation investment. Simply put, congestion pricing charges motorists a toll for using a particular stretch of highway or bridge or for entering a particular area. It is a market- or demand-based strategy that can encourage off-peak travel and transit network usage.

In such cities as London, Singapore, and Stockholm, this model has proven itself successful along two key fronts: reducing economy-stifling congestion by more than 25 percent; and raising revenues that can be used to invest in surface transportation infrastructure.

However, the first attempt at creating such a corridor or zone here in the U.S.—in New York City—failed. As proposed by Mayor Bloomberg in 2008, New York City’s concept won support from the U.S. Department of Transportation in the form of a \$350 million award from its Urban Partnership program. Yet in the end, the requirement for approval by the State legislature doomed the venture. San Francisco has now begun to fully explore the possibilities of congestion pricing. A trial period has been proposed in the city to be conducted sometime before 2015.

Some might argue that these congestion corridors are nothing more than tolls, but the major distinction comes from the purpose. Tolling raises revenues, but congestion pricing raises revenues and changes travel patterns and behavior. CTAA believes that congestion pricing concepts are largely the domain of the Nation’s largest cities—which just happen to be the areas of the country that have some of the largest surface transportation infrastructure projects and needs. Anything that can be done to add revenues to be used for these large outlays only serves to relieve pressure on the rest of the transportation system, and thus should be encouraged.

Changing the Discussion

CTAA believes that if we cannot, as a Nation, transition our national discussion of surface transportation infrastructure investment away from one solely focused on who gets taxed and how, then we cannot begin to reap the economic and social benefits of a fully integrated, intermodal surface transportation network that is once again the envy of the world. In many ways, the future of our Nation depends on this transition.

Surface transportation investments are economic engines that create jobs, fuel the private sector and increase our energy independence. These systems—highways, bridges, public and community transit, intercity bus and rail—are the off-the-shelf solutions to some of the most pertinent and vexing geopolitical and economic challenges we currently face. The dire consequences of inaction—which include continued military interventions, reliance upon wildly fluctuating energy markets, and escalating congestion—are no longer tenable. Clearly, the issue of surface transportation investment extends far beyond a mere tax debate.

What’s necessary is a more balanced surface transportation investment program that benefits all areas of the Nation equitably and which enjoys a diversified investment portfolio—balance in and balance out.

In the past two decades, the Community Transportation Association of America has enjoyed success in fundamentally redefining the meaning of public transportation in the United States. We believe that it has become absolutely necessary for the Nation’s surface transportation infrastructure investments to recognize this definitional change, and become just as diverse as the network it supports.

PREPARED STATEMENT OF LARRY HANLEY
INTERNATIONAL PRESIDENT, AMALGAMATED TRANSIT UNION
MAY 19, 2011



TESTIMONY OF THE
**AMALGAMATED
TRANSIT UNION**

BEFORE THE UNITED STATES SENATE BANKING,
HOUSING AND URBAN AFFAIRS COMMITTEE

“PUBLIC TRANSPORTATION: PRIORITIES AND
CHALLENGES FOR REAUTHORIZATION”

May 19, 2011

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Summary of ATU Recommendations

ATU SUPPORTS:

■ INCREASING TRANSIT FUNDING & ALLOWING LOCAL CONTROL OF FTA FUNDS

- Passing a robust surface transportation bill that meets the needs of transit dependent individuals;
- Funding public transportation at \$119 billion over the next six years (a 128% increase above current levels), as called for in President Obama's surface transportation reauthorization proposal;
- Providing all transit systems – regardless of urban area population – with flexibility to use their federal funds for operating costs to maintain critical service that keeps people connected to their communities.

■ ENHANCING THE SAFETY OF TRANSIT WORKERS AND PASSENGERS

- Providing FTA the authority to establish and enforce minimum federal safety standards for transit systems, as long as transit labor has a significant role in the creation and adoption of such standards at the local and national level.

■ CREATING TRANSIT WORKFORCE DEVELOPMENT PROGRAMS

- The *Transportation Job Corps Act of 2011*, which would create a career ladder grant program within the FTA to help existing workers retain jobs while also recruiting and preparing young adults across the nation for jobs in the transit sector.

Introduction

Mr. Chairman and Members of the Committee, thank you for the opportunity to testify today on behalf of the Amalgamated Transit Union. ATU is the largest labor organization representing public transportation, paratransit, over-the-road, and school bus workers in the United States and Canada, with about 190,000 members in more than 270 locals throughout 46 States and 9 provinces.

We are pleased to offer our views on priorities and challenges for the reauthorization of the Nation's public transportation programs. My name is Larry Hanley. I am the new International President of the ATU, elected in the fall. I have been involved in the public transportation industry for more than 30 years. Never during that entire time span have I ever witnessed anything close to the challenges that we are facing today.

In 2009, ATU presented to Congress a comprehensive proposal for the reauthorization of The Safe, Accountable, Flexible, and Efficient Transportation Equity Act—A Legacy for Users (SAFETEA-LU). It is a 10-point plan designed to ensure that public transportation agencies are equipped to provide Americans with the travel choices they need and to help us reduce our dependence on foreign oil.

Much has changed in our industry since that proposal was released. Therefore, today, I would like to focus on just three issues that are key to the survival of the transit industry and the safety of the riding public.

Transit Crisis

No Ride = No Job

Due to shortages in State and local revenues, U.S. public transit systems are carrying out some of the steepest fare increases and deepest service cuts in recent history. Since the beginning of 2009, approximately 85 percent of public transit systems have raised fares or cut service, and thousands of workers in the transit industry—a significant percentage of a “green” workforce—have been laid off. Fifty-six percent of transit systems have cut rush hour service, 62 percent have slashed off-peak service, and 40 percent report reductions in geographic coverage.

The Chicago Transit Authority has cut 18 percent of bus service and 9 percent of rail service while laying off 1,100 people whose lives have been in a free fall ever since. Massive cuts in Atlanta, Cincinnati, Cleveland, Detroit, Pittsburgh, and throughout the State of California have been breathtaking. New York City, home to the largest transit network in North America, has cut routes that have been in existence since the days of the horse and buggy.

In Utah, bus routes in Salt Lake, south Davis, and Tooele counties will be cut or realigned effective August 7th. The Minnesota State Legislature last week slashed \$109 million from Twin Cities bus and rail funding, and the Met Council warns it might eliminate weekend service. Thirty-five percent cuts are pending in Tacoma, while Birmingham and Long Island are operating with patchwork budgets that allow them to function only on a month-to-month basis.

The incredible mass of unemployed Americans includes a substantial number of transit-dependent individuals who can simply no longer get to work because their ride is gone. Generally, when routes get cut, transit systems tend to look toward those with low ridership—early morning, late night, and weekend service. People who work nontraditional hours, typically minorities who have no other means of transportation, are disproportionately affected.

The single mom who now gets her kids up at 4:30 a.m. to catch two buses in time to get her children to daycare and then herself to work cannot be expected to wait an additional hour for that transfer bus to arrive, standing in the freezing cold with two kids. The person who cleans offices downtown in the wee hours of the morning should not have to sleep on the cold hard floor in the lobby of the building after finishing her work until the buses start running the next day. But that is exactly what is happening out there. ATU members nationwide have seen it firsthand.

Some places have totally shut down their transit system, leaving elderly and disabled people scrambling for a way to buy food and get to the doctor. For example, the transit system in Clayton County, Georgia, shut down in 2010, stranding 8,500 people, 81 percent of whom earn less than \$35,000 a year and 65 percent of whom have no car. This is a mobility crisis like we have never seen before.

As Congress debates changes to our Nation's surface transportation laws and considers appropriate funding levels to meet the needs of our highway and transit network, it is critical that lawmakers understand the incredible mobility challenges that their constituents are facing every day. However, the voices of poor people—young or old, disabled or able bodied—are traditionally drowned out in this country. While an elderly lady who is out buying groceries in New Jersey may have never met a middle-aged cafeteria worker in Colorado who is desperately trying to get to

work, it turns out that these people have at least one common trait: they both rely on the bus to survive. Throughout America, people are pleading with their elected officials to stop the transit cuts and fare increases. Attached to our testimony is a document entitled “Stranded Voices,” a compilation of poignant quotes from transit-dependent individuals all across the country who have lost their ability to get around town due to transit cuts.

People First

Under current law, the majority of transit systems in the U.S. may not use their Federal transit funds to keep service on the street. Only systems located in urbanized areas less than 200,000 in population may use their Federal transit funds for operating assistance. All other areas may use their funds only for capital projects. With State and local funds scarce or nonexistent, many systems are in the odd situation of having many brand-new buses purchased with Federal funds, but no resources to place those vehicles into service. Some communities are using their Federal transit funds to build rail systems that will not be completed for many years while slashing vital bus service at the same time.

Where are our priorities? Certainly this cannot be part of our Nation’s transportation agenda! Before we commit resources to whisk people from city to city on slick high speed rail trains, we need to first get them back to work downtown and in suburban and rural locations via bus, subway, or light rail.

Operating Assistance Is Needed

The Federal Government has a role to play in ensuring that all individuals—irrespective of income level—have access to safe, affordable, convenient, and accessible public transportation, regardless of the day of the week or what time they ride the bus. During the 111th Congress, Senator Sherrod Brown introduced legislation (S. 3189) that would provide for increased flexibility in the use of Federal transit funds by allowing transit systems of all sizes to use a percentage of their formula funds to maintain critical service. That bill also included a sensible provision which would allow transit systems in areas above 200,000 in population to use their Federal transit formula funds for operations if they are operating less than 100 buses during peak service hours.

President’s Transit Proposal Would Put Americans Back to Work

President Obama’s Budget—which calls for nearly doubling the size of the Federal transit program in FY2012—as well as the Administration’s proposal for the reauthorization of the Federal surface transportation bill call for “targeted and temporary” transit operating assistance. The President recognizes that we can bring our cities back to life by substantially increasing transit funding and giving transit systems the flexibility to use their scarce funds as they see fit. We commend President Obama for his leadership in getting critical service back on the street, recognizing the role that transit can play in reducing our dependence on foreign oil, and putting our Nation on a path to economic security.

In addition to a slight variation on the Administration’s temporary operating assistance proposal which is tied to the unemployment rate, ATU supports legislation that would “trigger” the ability to use Section 5307 funds for operating based on the cost of fuel. If the price at the pump spikes (as we are seeing today), transit systems which feel the pinch at least as much as the owners of private automobiles should have the flexibility to put more buses on the street rather than slashing service and turning away customers who are desperate to avoid spending their entire paychecks on fuel.

Five dollars per gallon gas is coming, whether it is this summer or some time in the near future. Just weeks after the leader of the world’s most feared terrorist network was finally brought to justice, it has never been more apparent that dealing with our Nation’s so-called oil addiction is critical to our national defense. If we are serious about reducing our dependence on foreign oil from terrorist-sponsoring states, public transportation systems must play a central role. They cannot do so without more flexibility.

Bipartisan Issue

It is important to note that this is not an issue that pits rural areas against the urban centers. Last summer, the U.S. Census Bureau published its proposed criteria for defining urban areas based on the results of the 2010 Decennial Census. This document included a list of small urbanized areas that are forecast to become parts of adjoining or new large urbanized areas (see appendix). If the current rules are not changed, transit systems in these areas will soon lose their ability to use Federal Transit Administration (FTA) funds for operating assistance because their pop-

ulation will be considered to be greater than 200,000. Like the areas mentioned above, service cuts and fare increases will soon follow.

ATU Supports:

- Passing a robust surface transportation bill that meets the needs of transit dependent individuals;
- Funding public transportation at \$119 billion over the next 6 years (a 128 percent increase above current levels), as called for in President Obama's surface transportation reauthorization proposal;
- Providing all transit systems—regardless of urban area population—with flexibility to use their Federal funds for operating costs to maintain critical service that keeps people connected to their communities.

Public Transit Safety

Millions of times each day, someone's spouse, child, grandparent, or friend gets on a bus or train and arrives at their destination safely due to the dedication and professionalism of the hundreds of thousands of transit workers in this country. While more than 30,000 people are killed on America's highways each year, the number of annual customer fatalities on public transportation can usually be counted on one hand. Even under the most stressful circumstances, the majority of our members perform their jobs in a safe, efficient manner, compiling a safety record that we are quite proud of.

Recently, however, we have started to see some cracks in the system, and the Federal Government has taken notice. In June of 2009, a Washington Metro crash killed nine people and injured 80 others when two trains collided. Metro officials later called train driver Jeanice McMillan (Local 689) a hero. McMillan was killed when the train she was driving struck one that was standing still. She saved lives by hitting the emergency brake and slowing the train before the fatal crash. In 2007, two track workers in New York City tragically died in separate incidents. And hundreds of soot-covered Blue Line riders escaped through a smoke-filled subway tunnel in 2006 after a packed Chicago Transit Authority rush-hour train derailed, sparking a fire near a busy downtown stop.

Following this string of serious accidents across the United States, the Obama administration wisely proposed to allow FTA to impose broad safety standards for transit systems. Secretary LaHood called on Congress to pass the Administration's Public Transportation Safety Program Act to ensure a high and standard level of safety across all rail transit systems. Since 1965, the Federal Government has been prohibited from imposing broad safety standards in rail. The States have been responsible for oversight of rail safety, and in almost every case, their programs are underfunded, understaffed, and ineffective. In fact, transit systems are not even required to implement recommendations made by State safety oversight panels.

Former Chairman Dodd introduced legislation last year (S. 3638) which built off of the Administration's proposal. That bill directs the Secretary to create a national public transportation safety plan to improve the safety of all public transportation systems that receive Federal assistance. It also requires the Secretary to establish a public transportation safety certification training program for Federal and State employees, or other designated personnel, who conduct safety audits and examinations of public transportation systems, as well as employees of public transportation agencies responsible for safety oversight. In addition, the bill requires each State or local government, or other public transportation system operator that receives Federal assistance to certify that it has established an agency safety plan meeting certain minimum criteria.

Public transportation safety plans would be approved by the agency's board of directors, and reviewed and updated annually. ATU supports this important provision as long as such safety plans are required to be developed in a partnership with organized labor. Transit workers can provide invaluable information on day to day operations. They know better than anyone the details of routes, schedules, technology, *etc.* For example, following the horrible crash in Washington, DC, Metro immediately adopted ATU Local 689's recommendation to move certain rail cars that were not "crash-worthy" to the middle of the train. In fact, over the years, ATU has been the leader on transit safety issues, from requiring closed vestibules for streetcars in the 1890s to the campaign for exact fare in the sixties, to the present.

Only One Piece of the Puzzle

While regulation is important, without increased funding to modernize transit equipment, new laws will have little impact. Due to inadequate funding, the systems are rapidly aging. Tracks break down and computerized signals wear out, putting the safety of workers and riders in jeopardy.

Moreover, in order to increase safety, there is a dire need to address issues related to worker training and retention. Evidence suggests that some recent accidents could have been prevented if transit systems had programs in place to enhance communications between experienced, senior level workers in safety-sensitive positions (who are getting ready to retire) and new hires. More than 40 percent of transit technicians are eligible to retire within the next 5–10 years (see below). In addition, split shifts and forced overtime can cause fatigue, a serious, growing problem throughout the U.S. transit industry, especially in light of the recent wave of layoffs.

ATU Supports:

- Providing FTA the authority to establish and enforce minimum Federal safety standards for transit systems, as long as transit labor has a significant role in the creation and adoption of such standards at the local and national level.

Transit Workforce Development

The public transportation industry, like many service-based sectors in the United States, will be faced with major challenges in the near future. A large percentage of the transit workforce—both blue and white collar—will be retiring within the next few years. There is no pipeline of replacements on the horizon because the industry has a negative public image that hampers its ability to attract, recruit, and retain quality employees. And, for the existing workforce, new technology is rapidly changing the way transit agencies function, affecting every executive director, mid-level manager, bus driver and mechanic alike. Yet, relatively few programs exist to provide training to workers so that they can perform their jobs adequately, move up the career ladder, and help the Nation's transit agencies operate at maximum efficiency.

Public Transportation Industry Challenges

The transit agency workforce has several unique characteristics which impact workforce development:

- A rapidly aging workforce—the majority of present day transit systems went public in the 1960s and 1970s as a result of the establishment of the Federal transit program. Many workers who began their careers more than 30 years ago are retiring.
- It is in constant contact with the public, and about 75 percent of employees—operators and maintenance staff—are responsible for high standards of efficiency and public safety.
- Approximately 90 percent of the workforce is unionized.
- Opportunities for advancement are generally limited.
- The industry has suffered from a poor or uncomplimentary image in the past, which hampers recruiting efforts.
- Transit agencies provide a schedule-driven customer service. As a result, the majority of the transit workforce—transit equipment operators—functions in a rule-bound, seniority-based environment with little flexibility. This type of workplace has its drawbacks for recruiting younger employees.
- At the highest levels, the transit industry has issues with diversity.
- The industry has institutional barriers to workforce competitiveness and innovation, *i.e.*, noncompetitive compensation practices, inadequate career development and succession planning, lack of workplace flexibility, and failure to systematically integrate human resources considerations into overall business planning.

According to an industry survey, driver recruitment and retention continues to be the greatest challenge for 63 percent of transit systems. Finding experienced labor trails only funding costs and concerns as transit agencies' top concern.¹

The Impact of New Technology and Need for Training

New technology is having a dramatic impact on every aspect of the industry, from electronic fare collection, to alternative fuel vehicles, to new communications devices that will forever alter the way people travel. Much of the new technology has been spurred by record funding from the Federal Government. Since the enactment of TEA 21 in 1998, transit systems have been fortunate to participate in many ribbon cutting ceremonies celebrating the opening of new bus depots and rail lines. Without question, the industry has an excellent record investing in rolling stock.

¹ *Metro Magazine 2008 Fact Book*, November 2007.

Unfortunately, the same cannot be said of our ability to invest in so-called “human capital”—the people who serve as the backbone of any successful transit system. Bus and train operators serve as the public face of the organization on the street. In this post-9/11 world, they also protect passengers and other community members with their eyes and ears. Maintenance workers and others working behind the scenes—both blue and white collar employees—ensure that the system continues to operate in a cost effective, time efficient manner. Yet, funding for training and career ladder programs within the transit industry is virtually nonexistent.

With the imminent retirement of a huge percentage of the workforce, the need for training is even greater in order to avoid the loss of institutional knowledge.

Current Law Ignored

Under 49 USC §5322(a), the Secretary is authorized to make grants for programs that address human resource needs as they apply to public transportation activities. A program may include an employment training program; an outreach program to increase minority and female employment in public transportation activities; research on public transportation personnel and training needs; and training and assistance for minority business opportunities. This long-standing provision of Federal law has been ignored by the industry and the FTA.

Moreover, under Section 5322(b), FTA is authorized to make grants to States, local governmental authorities, and operators of public transportation systems to provide fellowships to train personnel employed in managerial, technical, and professional positions in the public transportation field. Remarkably, this program has been funded at \$0 throughout the life of SAFETEA-LU, and no program of significance came about as a result of this section under TEA 21.

The Transportation Job Corps Act

The ATU supports the Transportation Job Corps Act of 2011 (H.R. 929, Nadler) groundbreaking legislation that would finally address the training needs of the public transportation industry and serve to provide disconnected youth outside the industry with an incentive to pursue careers in transit.

The bill—which is also endorsed by the American Public Transportation Association—would rewrite Section 5322 and authorize the creation of 10 new regional Joint Workforce Development Councils—one for each FTA region. The councils, made up of equal numbers of labor and management representatives, would be responsible for setting up a process to offer workforce development programs to transit agencies in each of the FTA zones.

The primary purpose of this program would be to identify skills gaps in transit agency maintenance departments and to develop programs to train maintenance employees on a regional basis, rather than one agency at a time. The councils would also develop programs—outside of the traditional collective bargaining environment—to address the recruitment and retention of white and blue collar workers as well as programs to deal with Family Medical Leave Act (FMLA) issues, including absenteeism, ergonomics, “well care” programs, child care and other employment-linked services, and other matters.

Furthermore, the bill would create new programs aimed at enhancing the transit workforce by initiating and maintaining transit worker retention programs, including grants for career ladder programs, workforce diversity grants, and “Transit Youth Opportunity Grants.”

ATU Supports:

- The Transportation Job Corps Act of 2011, which would create a career ladder grant program within the FTA to help existing workers retain jobs while also recruiting and preparing young adults across the Nation for jobs in the transit sector.

Conclusion

ATU’s recommendations for improving and reforming the Nation’s surface transportation programs may be summed up in just one word: people.

Congress should recognize that we cannot get our economy back on track if millions of people do not have a ride to work. Federal assistance is needed to help our Nation’s transit systems provide for the mobility needs of the 15 million daily U.S. transit riders. We can no longer leave anyone behind.

Similarly, protecting the lives of our citizens when they rely on the bus or train to visit family, friends, and other destinations is a central function of our Federal Government.

Finally, while providing funding for major transit capital investments is critical, we must also deal with the major “human capital” issues which threaten to paralyze public transportation systems throughout the United States.

ATU looks forward to working with this Committee on these critical issues during the surface transportation bill reauthorization process.

Thank you for your consideration of our views.

ATTACHMENTS

DISAPPEARING SMALL-URBANIZED AREAS FORECAST TO BECOME PARTS OF ADJOINING OR NEW LARGE- URBANIZED AREAS

(Will lose ability to use FTA funds for operating assistance because
population going above 200,000)

AZ	Avondale	NC	Concord
CA	Camarillo		Gastonia
	Fairfield		High Point
	Hemet	NH	Dover-Rochester
	Livermore		Manchester
	Lodi		Nashua
	Manteca		Portsmouth
	Petaluma	NJ	Highstown
	Salinas		Vineland
	Santa Barbara		Wildwood-North
	Santa Clarita		Wildwood-Cape May
	Santa Cruz	OH	Lorain-Elyria
	Simi Valley		Middletown
	Turlock		Springfield
	Vacaville	OK	Norman
	Vallejo	PA	Lebanon
	Watsonville		Monessen
CO	Boulder		Pottstown
	Lafayette		Union-Connellsville
	Louisville		York
CT	Danbury	PR	Arecibo
	Norwich-New London		Fajardo
	Waterbury		Barceloneta-Bajadero
FL	Brookville		Guayama
	Fort Walton Beach		Juana-Diaz
	Kissimmee		Mayaguez
	Lady Lake		Ponce
	Lakeland		San German
	Leesburg-Eustis		Sabana Grande
	North Punta Gorda		Yauco
	Ocala	SC	Mauldin-Simpsonville
	Titusville		Rock Hill
	Vero Beach		Spartanburg
	Sebastian	TN	Johnson City

	Winter Haven		Kingsport
GA	Gainesville		Murfreesboro
	Macon	TX	Beaumont
	Warner Robins		Galveston
HI	Kailua		Harlingen
ID	Coeur d' Alene		McKinney
	Nampa		Port Arthur
	Alton		Texas City
IN	Anderson		The Woodlands
	Elkhart	WA	Bremerton
MA	Leominster-Fitchburg		Marysville
	New Bedford	WI	Appleton
MD	Aberdeen		Beloit
	St Charles		Kenosha
MI	Port Huron		Oshkosh
	South Lyon-Howell-Brighton		Racine
MO	Lee's Summit	WV	Charleston
			Huntington



STRANDED VOICES

TRANSIT RIDERS SPEAK OUT ABOUT
AMERICA'S MOBILITY CRISIS



Executive Summary

Due to shortages in state and local revenues, U.S. public transit systems are carrying out some of the steepest fare increases and deepest service cuts in recent history. Since the beginning of 2009, approximately 85% of public transit systems have raised fares or cut service, and thousands of workers in the transit industry – a significant percentage of a “green” workforce – have been laid off. Fifty-six percent of transit systems have cut rush hour service, 62% have slashed off-peak service, and 40% report reductions in geographic coverage.¹

The Chicago Transit Authority has cut 18% of bus service and 9% of rail service while laying off 1,100 people whose lives have been in a free fall ever since. Massive cuts in Atlanta, Cincinnati, Cleveland, Detroit, and throughout the State of California have been breathtaking. New York City, home to the largest transit network in North America, has cut routes that have been in existence since the days of the horse and buggy. Thirty-five percent cuts are pending in Pittsburgh and Tacoma, while Birmingham is on the verge of cutting bus service in half.

But *Stranded Voices* is not about percentages or even buses or trains. It's about people. The incredible mass of unemployed Americans includes a substantial number of transit-dependent individuals who simply can no longer get to work because their ride is gone. Generally, when routes get cut, transit systems tend to look towards those with low ridership -- early morning, late night, and weekend service. People who work non-traditional hours, typically minorities who have no other means of transportation, are disproportionately affected. The single mom who now gets her kids up at 4:30 a.m. to catch two buses in time to get her children to daycare and then herself to work cannot be expected to wait an additional hour for that transfer bus to arrive, standing in the freezing cold with two kids. **The person who cleans offices downtown in the wee hours of the morning should not have to sleep on the cold hard floor in the lobby of the building after finishing her work until the buses start running the next day.** But that is exactly what is happening out there. Amalgamated Transit Union (ATU) members nationwide have seen it firsthand. Some places have totally shut down their transit system, leaving elderly and disabled people scrambling for a way to buy food and get to the doctor. This is a mobility crisis.

¹ *Impacts of the Recession on Public Transportation Agencies*. Survey Results, March 2010. (American Public Transportation Association).

As Congress debates changes to our nation's surface transportation laws and considers appropriate funding levels to meet the needs of our highway and transit network, it is critical that lawmakers understand the incredible mobility challenges that their constituents are facing every day. However, the voices of poor people – young or old, disabled or able bodied – are traditionally drowned out in this country. While an elderly lady who is out buying groceries in New Jersey may have never met a cafeteria worker in Colorado who is desperately trying to get to work, it turns out that these people have at least one common trait: they both rely on the bus to survive. All across America, people are pleading with their elected officials to stop the transit cuts and fare increases. Some are actually calling on a higher authority. **However, their prayers are unfortunately falling on deaf ears. ATU is proud to provide these individuals with a voice so that they can speak as one.**

“To the Marysville City Council: Please do not take our bus service away from us. I am very disturbed by this. I am mobility-impaired and must use either my electric scooter or my four-wheel walker. I am unable to put either in my car. I am on oxygen 24 hours a day, seven days a week. I have many doctor appointments and I need the bus. My daughter lives with me, but she does not drive. She works at Goodwill Industries on 26th Street in Port Huron Township, and she could not get there without the bus. She has been unable to find a job that pays at least minimum wage for the past three years. She gets paid piecework and only averages about \$8 to \$10 per day, so she can't afford cab fare. She does my grocery shopping by taking the bus.”

– Gloria Rottiers, Marysville, MI²

When the Marysville City Council starts budget talks in March, the Blue Water Area Transit system's Dial-a-Ride program is expected to be on the chopping block. About \$150,000 a year is dedicated to the program, and some council members are questioning how long the general fund can sustain the cost. As fixed route buses don't run in Marysville, Dial-a-Ride is the only public transportation option for city residents who do not drive.

² *Marysville City Council cannot end bus service*, Times Herald, January 16, 2011.

"I am a teenager with autism. I use CARTA to go to places like the Children's Museum, the library, the grocery store, etc. Because of my autism, I have a pass which allows me to travel at a reduced rate. Recently, CARTA increased fares, cut some routes and discontinued service after 8 p.m. Now there are places I cannot go. I understand that cuts had to be made for financial reasons. How come there are free trolley rides for tourists and downtown shoppers when there is a shortage of money? They have other ways of getting around the city, but I don't. Are tourists and shoppers just more important than me?"

– Jennifer Cook, Charleston, SC³

In the fall of 2010, the Charleston Area Regional Transportation Authority eliminated its CARTA@Night service, ending the ability of transit dependent people to get to overnight shifts. Service on 20 routes was reduced and fares were raised 16 percent.

"I need to get to work early. I could lose my job."

– Micki Duffy, Chandler, AZ

With no car and a complex itinerary of bus transfers, Duffy is worried that cuts to early-morning service could make it impossible for her to get to work by 7:30 a.m. She negotiated the start time with her boss because of the bus schedules. The state took all cities' Local Transportation Assistance Funds that had been contributing about \$1 million a year to Chandler's mass-transit system.⁴

"I walk 'cause I need a job."

– Orinda Maten, Baton Rouge, LA

³ *Bus Cuts*: The Post and Courier, November 28, 2010.
⁴ *Bus riders plead for fewer service cuts*: The Arizona Republic, May 5, 2010.

Sometimes Maten is lucky and draws a shift at the Walmart store that ends early enough to allow her to catch a bus home at night. On those nights when she works late, though, she often ends her workday with a two-mile walk back home.⁵ Current recommendations in Baton Rouge include ending weekend and holiday bus service and eliminating two routes. Regular bus fares would be raised from \$1.75 to \$2, while discount fares for students, seniors and disabled residents who do not require door-to-door service would be raised from 35 cents to \$1. Disabled transit users who currently pay \$1.75 for door-to-door, on-demand transit services would see rates more than double, to \$4 per trip.



"I am a regular bus rider. With the cut in buses, I will not be able to go to church on Sunday or work on the weekends. It seems like the Port Authority is going to be a weekday bus company. It is being very inconsiderate of those who need to use it on the weekend. Maybe those of us who need to use the bus on the weekend should start our own bus company."⁶

– Fred Vella, Baldwin Borough, PA

The federal rejection of Pennsylvania's plan to toll I-80 translated into a \$27 million cut to the Port Authority for the current year. On January 12, the Port Authority of Allegheny County board voted to reduce bus service by 15 percent on March 27, 2011. Twenty-nine routes will be eliminated, and there will be weekday cuts on 47 other routes, while 180 employees will be laid off and 270 positions will be eliminated. The Harmar bus garage will close. It will mean more crowded buses and more commuters driving their own cars on already crowded roads. Much larger cuts loom if the legislature does not act soon.

⁵ *City bus riders' pleas heard*: The Advocate, November 22, 2009.
⁶ *The Port Authority is Moving us Backward*: Pittsburgh Post-Gazette, August 23, 2010.

"That's hard on people who have to go to work."

– Frances Pulichino, Paterson, NJ

Pulichino, 92 years old and a lifelong resident of the city says New Jersey Transit buses she takes to doctor's appointments and to do her shopping don't arrive as frequently as they once did, and she worries how cuts to local bus service will affect the city.⁷ In May of 2010, New Jersey Transit instituted fare hikes of 25 percent for train and interstate bus riders and 10 percent for light rail and local bus riders, and took 31 trains out of service. Discounts for round trips outside of peak riding hours also were eliminated, leading to increases of up to 64 percent for some rail commuters.

"I do not have the money for cabs. It would cost me \$20 to go from Mariners Harbor to the ferry. Want to send me a limo?"

– Eleanor Abrams, wheelchair user,
Staten Island, NY



"Waiting for the bus on a Sunday? Bundle up, it's going to be a while. Weekend service has been slashed nationwide."

⁷ *Patersonians rate city's quality of life.* Herald News, May 6, 2010.

"I take this as an attack on my family. If the S42 is taken away, I'm going to have to walk off the hill, leave earlier or fight for space on the bus. It's crowded enough during rush hour. I don't think they get that. Imagine an already-packed bus and sticking 200 more people on, the kind of mayhem that's going to cause. That's going to turn ugly quickly."

– Chris Waymer, Staten Island

"The X1's so crowded, the bus driver stands!"

– Anonymous rider.⁸

In June of 2010, the New York Metropolitan Transportation Authority put in place the most drastic transit cuts to hit the city in more than 30 years. Staten Islanders reliant on already sparse public transportation now have even fewer buses running on some routes - if those routes are even being served. Both local and express bus riders were hit hard by the service cuts. Some communities are no longer served on weekends or at night, leaving riders waiting longer to file onto even more-crowded buses.

"I don't care who's at fault. They shouldn't cut the buses. "I'm already getting up two hours early to be somewhere that's 15 minutes away by car."

– Cherise Hinton, Long Island, NY.

⁸ *Island to MTA: No more cuts!* Staten Island Advance, March 3, 2010.

"I think they should get out there and try it and see how it feels, especially when it's cold outside."⁹

– Mary Walker, Long Island, NY.

Mary Walker can't drive because she has glaucoma and rides on several bus lines each week to get to her home-health-aide work sites.

New York Metropolitan Transportation Authority officials said that they may have to drastically reduce LI Bus service this spring unless Nassau County fulfills its obligation to adequately fund its bus system. The MTA board says bus service may be cut by more than half.



"They took the line out of the middle of the bus. Now they've eliminated the bus."

– The Rev. Lawton Higgs Sr., Birmingham, AL

The Reverend was speaking at a rally to coincide with the 55th anniversary of Rosa Park's arrest in Montgomery, an act that spurred the Montgomery Bus Boycott, a pivotal event in the civil rights movement. He pastors to a very large congregation of homeless people who **"want to contribute to a healthy Birmingham but can't get a ride to do it."**

⁹ *LI Bus riders feel left behind: Say they are not interested in agency's fiscal woes. Drastic service cuts should be last resort, many say.* Newsday, February 19, 2011.

"Please let us keep our transit!" Let's get rid of the old stumbling blocks and put people up there who are real!"¹⁰

– Linda Williams, Birmingham, AL

Linda relies on the MAX buses, while her son takes the MAX paratransit service for the disabled.

Last year, the Birmingham-Jefferson County Transit Authority told city officials it needed more than \$10 million, or about \$900,000 a month, from the city to continue bus and paratransit services. But the city budgeted only about half that amount, and transit officials say they will have to cut half the bus routes in the city of Birmingham and lay off bus drivers. Funding runs out in March.

"I really don't want to quit this job. It's the only thing helping me right now... I've been taking a taxicab, but that costs me an arm and a leg. I don't want to be out on the streets. My life is depending on transportation."¹¹

– Robert Sigala, Colorado Springs, CO

Sigala doesn't drive and has trouble walking. He got to his job through Metro Mobility, the para-transit service of Mountain Metropolitan Transit, but service has been cut. Now, he fears ending up on the streets. His income at a cafeteria barely covers his rent and phone bill, and whatever extra he has is going to a taxi.

"I'm not healthy enough. I can't." That'd kill me."

– Nancy Eastman, Spokane, WA

Eastman is 62 and walks with a cane. She commutes between Cheney and Spokane and gets on the bus a little after 7 a.m. at a stop that is slated for elimination. She says she cannot walk to another stop if the service was cut off.¹²

¹⁰ *Bus riders and activists plead: Please let us keep our transit! Long-term bus funding sought.* Birmingham News, December 2, 2010.

¹¹ *Workers who take bus struggle to keep jobs.* The Gazette, January 6, 2010.

¹² *Proposed STA changes have Cheney riders concerned.* Cheney Free Press, March 18, 2010.



Eight Spokane-area bus routes would be cut along with 18 driver positions under the latest version of a money-saving proposal by the Spokane Transit Authority. The proposed cuts amount to 7 percent of the agency's operating costs and would go into effect in September 2011. The proposal follows a smaller 3 percent cut last September. Another 7 percent cut is expected in 2012.

"Our bus service is unfortunately being cut back, which is a shame, as the church benefits from elders' stories and experiences. Seniors have a lot to offer."

— Alice Litton, 80, Bellingham, WA¹³

Unfortunately, older church members who are isolated or no longer drive have been left without transportation options since the cuts in Bellingham.

"Those in our community, including me, who use or need transit can't come and go when we want. I will no longer be able to travel to my shopping mall on the weekend because both bus lines servicing the mall are being cut. I will have to limit my entertainment and community meetings not to go past 8 p.m. because there will be no bus or light-rail service after 9 p.m."

— Barbara Stanton, Sacramento, CA¹⁴

¹³ *Bellingham woman enjoys community, search for faith, at Unitarian Fellowship.* The Bellingham Herald, November 22, 2010.

¹⁴ *Transit crunch also a livability crisis.* Sacramento Bee, June 1, 2010.

Sacramento Regional Transit has lost one-third of its funding since 2007 - \$50 million - and in 2010 cut 28 weekday routes and 13 weekend routes. Paratransit is facing a 30 percent cut to its services for riders with disabilities.

"People need these buses... we deserve these buses!"

— Vince Miller, Accomack, MD

*Miller, a stroke victim told the local Board of Supervisors they "**did the wrong thing**" by allowing bus service to the northern end of the county to stop. He has missed eight months of school and seven months attending a program for people with brain injuries because of the cessation of the bus route.¹⁵*

"I'm just going to have to ride my bike everywhere."¹⁶

— Larry Wilber, Castle Rock.

"It's horrible. I use it for work. I use it for everything I do. It's my only form of transportation."

— Juliet Hudson, Castle Rock, CO

Budget cuts have eliminated The Clean Air Transit Company leaving Hudson and others searching for alternative ways to get around town. Service was cancelled at the end of 2010. Now Castle Rock is sponsoring a service through a local taxi company for those who are transit-dependent, paying a maximum of \$10 per trip for those who qualify. But with a limited budget, the town can pay for only 36 trips a week, so if you are number 37 in line, you are out of luck.

¹⁵ *County urged to resume transit service.* Daily Times, December 30, 2010.

¹⁶ *Castle Rock parks shuttle rides.* The Denver Post, December 30, 2010.

"I may stay with friends in Midtown. I have to move because I have to keep my job. I work in Buckhead in a law office and I take the bus from Clayton to the MARTA train to get there. It's not like I have a choice."

– Inya-Agha, Clayton County, GA¹⁷

*The transit system in Clayton County **shut down in 2010**, stranding 8,500 people, 81% of whom earn less than \$35,000 a year and 65% of whom have no car. Clayton is now the only core metro Atlanta county without public transportation.*



Rows of buses and vans in Cincinnati bought with federal dollars sit idle as SORTA gets set to slash service for the second time since 2009, when the agency had its first ever layoffs.

People First

Under current law, the majority of transit systems in the U.S. may not use their federal transit funds to keep service on the street. They may only use their money to buy buses, trains, and other equipment. With state and local funds scarce or nonexistent, many systems are in the odd situation of having many brand new buses purchased with federal funds, but no resources to place those vehicles into service. Other communities are using

¹⁷ *Wheels in motion to drop C-Train; Clayton County could save \$8 million without buses, bus strand 8,500.* The Atlanta Journal-Constitution, March 13, 2010.



their federal transit funds to build rail systems that will not be completed for many years while slashing vital bus service at the same time.

Where are our priorities? Certainly this cannot be part of our nation's transportation agenda! Before we commit resources to whisk people from city to city on slick high speed rail trains, we need to first get them back to work downtown and in suburban and rural locations via bus, subway, or light rail.

The federal government has a role to play in ensuring that all individuals – regardless of income level – have



The CDTA in Albany, NY purchased 20 buses through the American Recovery and Reinvestment Act in July 2010. The buses have been sitting in the garage since delivery. ATU members drive them up and down the highways daily to keep the fluids running for warranty reasons.

access to safe, affordable, convenient and accessible public transportation, no matter what time of day they ride the bus. Representative Russ Carnahan (D-MO) and Senator Sherrod Brown (D-OH) have introduced sensible legislation that would provide for increased flexibility in the use of federal transit funds by allowing transit systems of all sizes to use a percentage of their formula funds to maintain critical service. Similarly, President Obama's Fiscal Year 2012 Budget as well as the Administration's proposal for the reauthorization of the federal surface transportation bill call for "targeted and temporary" transit operating assistance.

ATU echoes the nation's *Stranded Voices* in calling on Congress to pass legislation that would allow transit systems to keep buses rolling during these extremely difficult economic times so that people may continue to live their lives and contribute to society in a meaningful way.

**On behalf of the nation's *Stranded Voices*,
ATU calls on Congress to lead the effort to
address the national mobility crisis by:**

- Passing a robust surface transportation bill that meets the needs of transit-dependent individuals;
- Funding public transportation at \$119 billion over the next six years (a 128% increase above current levels), as called for in President Obama's surface transportation reauthorization proposal;
- Providing all transit systems – regardless of urban area population – with flexibility to use their federal funds for operating costs to maintain critical service that keeps people connected to their communities.



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PREPARED STATEMENT OF JAYETTA Z. HECKER

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PROJECT, BIPARTISAN POLICY CENTER

MAY 19, 2011

Chairman Johnson, Ranking Member Shelby, and Members of the Committee, I am honored to be here speaking on behalf of the Bipartisan Policy Center's (BPC), National Transportation Policy Project (NTPP). As you may recall, prior to my past 3 years with the NTPP, I had the privilege of serving the Congress and this Committee as a Director of Physical Infrastructure at the GAO, directing hundreds of comprehensive studies of the Nation's surface transportation programs, for over 25 years.

I appreciate this opportunity to discuss issues and priorities for the reauthorization of the surface transportation program on behalf of the Bipartisan Policy Center. My statement is drawn from both completed and ongoing research, deliberations, and reports of the NTPP. In addition to the "long range vision" for a future performance-based program which we released in 2009,¹ we have continued to develop more specific and pragmatic building block measures that can be taken to lay the groundwork for a new performance-based program.² We are just now finalizing a comprehensive new report—which will provide specific recommendations for restructuring the current Federal surface transportation programs to both focus on advancing clear national priorities—and do so within the level of revenue collected to support the Federal program.

My statement is organized around three central observations and conclusions of our work:

- The current environment for reauthorization presents significant challenges—and opportunities,
- NTPP priorities for reauthorization include promoting performance, improving planning, and developing an integrated, multimodal focus on optimizing transportation networks, and
- Funding challenges are profound and require immediate incentives for increases in nonfederal revenue, and reestablishing the credibility of the Federal program to gain support for increased Federal revenues.

Background*The Bipartisan Policy Center and the National Transportation Policy Project*

The BPC was founded by four former Senate majority leaders, Tom Daschle, Bob Dole, Howard Baker, and George Mitchell. BPC was created to help provide the motivation and infrastructure to forge the bipartisan consensus we believe is necessary for durable change across a range of difficult policy challenges. The BPC works to develop and promote sound policy solutions that can attract public support and political momentum to achieve real progress in a wide range of sectors including national security, agriculture, energy, health care, financial services, debt reduction, and science. In line with the BPC's overarching purpose to develop and advance pragmatic, politically viable solutions to critical public policy problems, NTPP was designed to bring new approaches and fresh thinking to our Nation's pressing transportation challenges.

The NTPP is cochaired by four former elected officials and includes membership of renowned experts and leaders in transportation policy, as well as users of the system whose voices have not typically been heard in previous policy debates.³ Your current colleague and Member of this Committee, Senator Mark Warner, was an original cochair before joining the Senate. We have been pleased to continue work-

¹ "Performance-Driven: New Vision for U.S. Transportation Policy", National Transportation Policy Project, BPC, 2009.

² "Transitioning to a Performance-Based Federal Surface Transportation Policy", <http://bipartisanpolicy.org/library/report/transitioning-performance-based-federal-surface-transportation-policy>, June, 2010; "How Fair Is Road Pricing?", <http://bipartisanpolicy.org/library/research/how-fair-road-pricing-evaluating-equity-transportation-pricing-and-finance>, September, 2010; "Strengthening Connections Between Transportation Investments and Economic Growth", <http://bipartisanpolicy.org/library/research/transportation-investments>, January, 2011; "Joint Statement With Financing Commission Members", <http://bipartisanpolicy.org/library/national-transportation-policy-project/joint-statement-undersigned-members-national-surface>, December 2010.

³ A list of all NTPP members is included at the end of this statement.

ing with him in furtherance of our shared interest in and commitment to advancing a performance-based transportation program.

Core NTPP Recommendations—Define National Goals and Develop Performance Metrics

To set the stage for my remarks, I'd like to briefly summarize the NTPP conclusions, many of which reflect a widespread consensus on the need for fundamental reform of the existing program to foster performance, accountability, and results. We concluded that the single most urgent need is for Congress to define specific goals for the Federal transportation program that direct resources to the achievement of clear national interests. To best lay the foundation for a truly performance-based program, national goals need to be focused on outcomes and reflect the societal and economic rationale for a Federal role in this sector that is characterized by major private and individual investments and choices as well as substantial local variations in community development patterns and preferences.

NTPP recommends the national interests in transportation investment be recognized as advancing the following fundamental national concerns:

- *Economic Growth*—Producing maximum national economic growth per dollar of investment
- *National Connectivity*—Connecting people and goods across the Nation with effective surface transportation options
- *Metropolitan Accessibility*—Supporting comprehensive metropolitan efforts to provide efficient access to jobs, labor, and other activities throughout metropolitan areas
- *Energy Security and Environmental Protection*—Promote the integration of energy security and environmental protection objectives with transportation policies, programs, and investment choices
- *Safety*—Improving safety by reducing the number of accidents, injuries, and fatalities associated with transportation

We recognize that moving toward a performance-driven approach will challenge entrenched interests and require Government institutions at all levels to change longstanding practices and ways of doing business. Beyond articulating clear goals for a new performance-based program, Congress should support an aggressive but deliberate transition to a performance-based system. This requires support for comprehensive testing and refining of outcome-oriented national metrics to capture progress toward the achievement of these five central national goals. This will require strong Federal support for the improved data and tools essential for managing performance as well as pilot testing the application of broad, mode-neutral national performance metrics on the State and metropolitan level to identify and address specific implementation challenges.⁴ This is the strategy Senator Warner has been advancing in a stand-alone legislative proposal.

Importance of Presidential Leadership

The Nation is clearly at a pivotal moment in considering the future Federal role in transportation. We have a program that is bankrupt in both funds and purpose. We remain hopeful that even though a new authorization has been deferred and extended several times, proposals will start to emerge from both the executive and legislative branch on a new path forward. Leadership from the President has always been essential for progress in this important arena—and will likely remain critical during this especially challenging period. We are impressed by a number of the principles for authorization contained in the Administration's proposal as set forth in the President's FY2012 Budget that are consistent with the themes and principles of NTPP's June 2009 report. These include the needed emphasis on asset management focusing on system preservation and state of good repair, the focus on performance and accountability as well as developing incentives for performance (e.g., Transportation Leadership Awards), a focus on multimodalism, and a plan for significant program simplification and consolidation.

⁴Recognizing the criticality of defining a bold but pragmatic strategy for laying the essential foundation of a performance-based program, NTPP convened an intensive workshop of diverse experts with direct experience to chart a transition strategy. See, Bellagio report—<http://bipartisanpolicy.org/library/report/transitioning-performance-based-federal-surface-transportation-policy>, June, 2010. The importance of a cautious and deliberate strategy was underscored by opening the workshop with a briefing on the sobering RAND Corporation review of the results of recent efforts to apply performance focus in 5 diverse Federal programs. See, "Toward A Culture of Consequences—Performance-Based Accountability in Public Services, Brian Stecher, et al., 2010.

With a detailed Administration proposal yet to be released, we are not able to provide specific comments on the Administration's strategy. While we share many of the President's reform principles, we are not optimistic that the Congress is prepared to enact new taxes sufficient to support a program at the level proposed by the President. In the more likely outcome that new revenue sources are not enacted, our members remain firmly committed to a program that is consistent with available revenues. We also believe it will be important to support outcomes rather than any specific mode and establish a coordinated program to support sustainable revenue flows by States and metro regions—which remain at the front line of our vital transportation investments.

With this context, I turn to the focus of this important and timely hearing—setting the context for a discussion of reauthorization generally and the focus on transit and metro regions more specifically by covering three broad issues:

1. The challenges and opportunities of the current economic and political context
2. NTPP Priorities for a new authorization in this environment, and
3. Key funding issues and challenges

Challenges and Opportunities of Reauthorization in the Current Environment

In 2007 many operated under the assumption that there would eventually be a large multiyear surface transportation bill passed by Congress. Through each successive "TEA" bill (ISTEA, TEA-21 and SAFETEA-LU) Congress has increased transportation investment, and "reforms" or innovations have generally been additive with stakeholders and States all assured a share of the increasing size of the pie.

The current environment is substantially different making it extremely difficult if not impossible to raise additional revenue in the near term for Federal transportation investment. This new environment is shaped by several factors:

- *Prolonged economic downturn*—contributing to decreased revenues coming into the Highway Trust Fund (HTF); the Recovery Act, by making billions of dollars available for infrastructure spending with no State or local share, diffused focus on the bankruptcy of the Trust Fund; the economic environment similarly delayed any serious political focus on badly needed reforms; and persistently high unemployment and ever increasing gas prices have made it even more difficult than it has been over the past 19 years to ask Americans to pay more in fees to begin to cover the costs of maintaining or improving our national system.
- *National debt crisis*—this issue is finally taking center stage with a BPC Commission⁵ as well as a Presidential Commission both recommending major changes to taxes and spending to restore fiscal balance; the Congress is currently engaging in a major debate about the depth and breadth of spending reductions and revenue increases to accompany the required increase in the debt ceiling; overall this environment makes it more difficult than ever to generate support for increased spending on any Federal program, even one with promising long-term benefits such as transportation.
- *Greater hostility to taxes*—there is a broad public unwillingness to accept new or additional Federal taxes making the potential for finding new revenue for transportation even more of a challenge.

The Opportunity of Constrained Resources

The new reality we confront today is clearly one of severely constrained resources for transportation investment. The Highway Trust Fund (HTF) is solvent only because of repeated infusions of over \$30 billion over the past 2 years. With the environment supporting debt-financed stimulus spending now past, it is more clear than ever that "funding" transportation with general revenues means more borrowing and increased public debt. With national attention on strategies for decreasing the national debt, and growing opposition to any kind of Government spending, the transportation sector will have to determine how to be nimble, surviving with fewer Federal resources.

Our work and that of many others supports the need for higher levels of Federal investment, with the evidence increasingly apparent that we are neither maintaining our core system nor preparing for the steady increases in our populations, freight flows, and growth. Few dispute that strategic investment in transportation infrastructure can be an essential element of a growing economy. However, our

⁵"Restoring America's Future", November, 2010 <http://bipartisanpolicy.org/library/report/restoring-america's-future>.

panel believes that continued general fund transfers—i.e., increased borrowing—is no longer an option. Until the President and the Congress are prepared to identify and enact new sustainable revenue sources to support an expanded program, we believe the program should be refocused and scaled back to a spending level aligned with existing revenue. Our program recommendations for the pending authorization focus on setting clear national priorities and limited to the level of revenue coming in to the Trust Fund—approximately \$40 billion annually. There are risks and severe economic consequences associated with lower levels of investment. However, this difficult environment where it has become clearer that every dollar should be spent wisely can also be seen as an opportunity for implementing substantial reform. Acknowledging a reality of constrained resources puts pressure on the Federal Government to spend wisely, to make the most of every dollar spent—and to assure critical and true national priorities are being funded. We also believe that devising a strategy when funds are so scarce highlights the importance of spurring innovation and forcing a closer look at how we might better leverage funds from nonfederal sources.

Our forthcoming report will present specific and detailed recommendations for consolidating, refocusing, or eliminating all existing Federal programs currently funded under the SAFETEA-LU authorization to focus directly on areas of clear national interest. Our proposed program structure will more directly align Federal resources with compelling national interests, and seize this challenging juncture to move the Nation towards a more performance-based surface transportation system.

Highlights of NTPP Priorities/Major Opportunities for Reauthorization

While our report won't be final for another few weeks, I'm pleased to take this opportunity to outline several priorities our proposal will include for a scaled back but well targeted Federal program.

Laying the Groundwork for Performance Measurement, Reporting and Accountability

Not surprisingly, the major priority for our proposed streamlined program will be for Congress to lay the groundwork for meaningful progress toward a true performance-based system. Consistent with both our June 2009 report and subsequent research and reports, we will call for:

- Establishment of outcome-oriented national goals of our surface transportation program
- Consolidation of formula programs into new outcome-oriented programs emphasizing maintaining and improving the performance of our existing assets
- Introducing performance-bonuses on formula programs based initially on improved data collection, planning, and reporting and eventually on meeting specific measurable criteria.

Improving the Programmatic and Holistic Focus on Transportation Planning

We believe a revitalized program is needed to substantially reform the Federal planning process to become more outcome oriented. Funds would be allocated by formula to States and metro regions with bonus funding available for improved planning processes, as well as supplemental grants to incentivize greater collaboration.

Consolidating Programs to Focus on Improving Metropolitan Accessibility

With our core focus on outcomes, our June 2009 long range vision recommended development of a new multimodal "Metropolitan Accessibility" Program. Our focus was on creating an outcome-based program focused not on modes or modalities but emphasizing mode neutrality, "programs, not projects," and the use of outcome-based metrics that would capture achievement of overall desired outcomes or goals (e.g., labor market flexibility, job access, improved environmental sustainability, reduced dependence of the system on fossil fuels and safety). To promote innovation and more comprehensive regional programmatic planning, we contemplated a significant portion of the funds be provided on a competitive basis.

Given the current economic and fiscal environment with funds extremely limited and low Congressional appetite for transitioning to a new large competitive program, we envision substantially modifying this preferred long term approach. NTPP recommendations for a new metropolitan accessibility program will likely to call for a formula program with funding going to both States and metro regions. We envision a performance incentive or bonus, which in the short term will reward improved data collection, broader programmatic analyses, and providing a foundation of public reporting on the performance of the broad network and projected returns from a mix of investments. We are confident that the values and principles that we articulated in the 2009 report can be applicable to such a formula program, that is, mode neutrality, a focus on preservation, restoration, and performance of existing

facilities and systems, comprehensive strategic plans and capital programming, job access, and energy security. We envision existing transit programs that create new capacity, like New Starts, would be part of such a comprehensive program, which within such a constrained funding environment will be a smaller feature in most regions investment strategies—although each region will be free to make their own programmatic priorities.

The Brookings Institution has completed a body of work demonstrating the vital role the Nation's metropolitan regions play in the economic growth of our Nation and the quality of life of our Nation's citizens. A recent report provides a new analysis of how investments in transit have not included an explicit focus on improving the access and use of transit to reach employment centers.⁶ We agree that not only do transit investments need to more explicitly focus on this vital outcome, but a similar focus is needed on our metropolitan road network. The Brookings data reveal that only 7 percent of workers in 100 largest metro areas rely on transit to get to work, underscoring the need for integrated programs and strategies to enhance the performance of entire transportation networks in our metropolitan regions.

Funding Challenges/Issues

Even as we put forward a program that assumes no new revenue in the near term, the proposal in fact incorporates several elements directly related to funding issue and challenges—both in the longer term as well as immediately.

Experts View Absence of Program Credibility as Critical Barrier To Increasing Federal Investment/Revenue

Continuing NTPP's model of bringing together renowned experts from various fields who hold widely varying views, we convened an intensive workshop in March on "Breaking New Ground—Exploring Long Term Options for Funding the Surface Transportation Program." Major topics included exploration of the:

1. Future Federal Role in Transportation (including economic and fiscal realities, national goals and political consensus on scope/purpose of Federal program, and facilitating and incentivizing private, State, and local funding),
2. Sustainable Revenue Options (including a review of the varying performance and efficiency results and pros and cons of user fee foundation), and
3. Institutional and structural options (including the role and relevance of the Trust Fund mechanism).

We are still developing a report based on this rich and thoughtful exchange. Some highlights, however, include the following key observations:

- Exploration of future funding options must be in context of a clear and specific set of national goals/purposes—*i.e.*, identifying future revenue sources cannot really be separated from first defining a clear and compelling focus of the national interests and program purposes.
- The core challenge to funding achieving either public or political is restoring public confidence in the "returns" of the Federal program.
- Revenue options have widely varying performance and efficiency results and as alternatives are further evaluated, assessment should heavily weigh such positive and intentional impacts.
- The funding structure, particularly the Trust Fund, needs to be reinvented for a new era, noting that like revenue sources, a funding structure may either support or impede mode and outcome-based programming and achievement toward nationally significant outcomes.
- Efforts should begin to support and coordinate State efforts to study new mileage/use-based revenue option.
- With Federal resources declining, focused Federal program needed to facilitate and incentivize sustainable revenue sources at State level

Comprehensive New Program Needed To Facilitate, Support, and Incentivize Increased Nonfederal Investment

In addition to this issue being a major focus of the Funding Workshop, NTPP sponsored new research to develop in more detail, what a new program should be composed of, to most effectively leverage the Federal revenue—and explicitly support increased and sustained revenue flows by nonfederal partners.

⁶"Missed Opportunities: Transit and Jobs in Metropolitan America", Brookings Metropolitan Policy Program, May, 2011.

Due to the likely continued scarcity of surface transportation funding relative to nationwide investment needs, NTPP believes there should be a substantially enhanced Federal role in facilitating, incentivizing, and rewarding sustainable State, local, and private funding. The greater need to maximize nonfederal resources, and the national benefits that such leveraging can provide, demands a set of substantial and comprehensive loan and other financing assistance programs. A new program dedicated to maximizing the leveraging potential of Federal resources could form the basis for a new, important focus on incentives. A program dedicated to maximizing the leveraging potential of Federal funds could form the basis for transitioning to a national infrastructure bank.

A new program could greatly enhance the ability of the Federal Government to support State, local, and private funding in a way that advances national transportation goals. The essential features of such a program could include three distinct but complementary dimensions:

- Remove barriers to nonfederal investment, in particular barriers to tolling and pricing;
- Expand and improve TIFIA and other financing tools to support revenue-generating projects, and
- Reward the generation of sustainable revenue and investment by nonfederal entities.

Remove Barriers to Nonfederal Investment

Current limitations on tolling the existing Interstate system should be largely removed. Tolling is a potentially viable mechanism for improving performance and generating increased transportation revenues that could be used to back project financing. Similarly other Federal requirements for certain projects should be relaxed to facilitate increased private investment.

Expand and Improve TIFIA and Other Financing Tools

The TIFIA program should be increased in size, while continuing to focus on credit-worthiness and the market discipline afforded by requiring significant nonfederal coinvestment. A new program should be included that provides technical and predevelopment assistance to increase the pipeline of sound projects, as well as new financing tools or tax code incentives to stimulate infrastructure investment. A discretionary Toll and User Fee Technical Support and Discretionary Federal Funding Assistance Program should be made available to promote sound pricing projects, assisting in the development of new tolls, and other user fee projects.

Tax Code Incentives could include a range of tools including increasing the volume cap on Private Activity Bonds (PABs) reestablishing the Build America Bonds program, creating Qualified Tax-Credit Bonds (QTCBs) as a new category for major surface transportation projects, and continuing to permit States to use a portion of their Federal apportionments to further capitalize their State Infrastructure Banks (SIBs).

Rewarding the Generation of Revenue by Nonfederal Entities

A new program should be created to facilitate and reward States and metropolitan regions that sustain or increase the net amount of nonfederal revenue they contribute to investments. In addition to including a Maintenance of Effort Funding Program, specific incentives could include Preferential Treatment for Discretionary Program Awards and Programmatic Flexibility and Regulatory Relief.

This concludes my prepared remarks. I thank you again for the opportunity to provide BPC's perspectives and preliminary recommendations. I look forward to any questions you may have. In addition, we stand ready to support the Committee in the significant challenges that lay ahead.

Attachment I

National Transportation Policy Project Members

Dennis Archer - Former Mayor of Detroit

Sherwood Boehlert - Former New York

Slade Gorton - Former United States Senator from Washington

Martin Sabo - Former United States Congressman from Minnesota

Alan Altshuler - Harvard professor (Kennedy School and Graduate School of Design); former Massachusetts Secretary of Transportation

Jack Basso - American Association of State Highway and Transportation Officials (AASHTO); former Assistant Secretary for Budget and Programs, United States Department of Transportation

Lillian Borrone - Board Chair of the Eno Transportation Foundation; former senior executive of Port Authority of New York and New Jersey

Tom Downs - Former CEO of Amtrak; former Commissioner of New Jersey Department of Transportation; former President of the Eno Transportation Foundation

Mike Erlandson - Vice President Government Affairs, SUPERVALU

Douglas Foy - Serrafix Corporation; former President of the Conservation Law Foundation

Jane Garvey - Former Administrator of the Federal Aviation Administration; JP Morgan

Gary Higdem - President, CH2M Hill Energy Operating Division

Douglas Holtz-Eakin - President, DHE Consulting LLC; former Director of Congressional Budget Office

Nancy Kete - Senior Fellow and Director of EMBARQ-The World Resources Institute's Center for Transport and Environment

Ann Klee - Vice President, Corporate Environmental Programs, General Electric

William Lhota - President and CEO of the Central Ohio Transit Authority (COTA); former senior executive at American Electric Power

Bob Lowe - President and CEO of Lowe Enterprises, Inc.

Sean McGarvey - Secretary-Treasurer, Building and Construction Trades Department, AFL-CIO

Bryan Misteale - President and CEO of INRIX

Jim Runde - Managing Director and Special Advisor, Morgan Stanley

Tom Striker - Director and Corporate Manager, Toyota Motor North America, Inc.

Chris Vincze - Chairman and CEO of TRC Companies

Martin Wachs - Director of RAND Corporation's Transportation, Space, and Technology Program; Professor Emeritus at the University of California Berkeley

Dr. John Wall - Vice President Chief Technical Officer at Cummins Engine

Lynda Ziegler - Senior Vice President at Southern California Edison

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR SHELBY
FROM PETER M. ROGOFF**

Q.1. The Administration has proposed that the 5307 program be opened up to allow transit systems to use these funds to subsidize their operating costs. While I appreciate that the Administration's proposal promotes a very measured approach to the issue of operating assistance, I am extremely concerned about the Pandora's Box we may be opening.

You will recall that prior authorization bill eliminated operating assistance as an eligible expense but did, alter the program to include a new category of eligible expenses very similar to operating costs, called preventive maintenance. Thus, preventive maintenance can be used to pay for virtually all the same items except for wages and benefits and fuel costs.

With these additional tools available to transit systems across the country; why then do we need yet another subsidy to public transportation?

A.1. The temporary and targeted operating assistance proposal is aimed at helping struggling transit agencies provide critical services during difficult economic times, when State and local revenues are reduced by lower property and sales taxes used to support transit. FTA is not proposing the development of a new funding source or permanent fund to supplement operating costs as this new authority gives transit agencies in urbanized areas 200,000 or over in population the option to use their urbanized area formula funds to continue critical services for 3 years, if needed. It is important that transit agencies have the flexibility during economic downturns to provide essential transit services, especially to transit-dependent populations.

Finally, the proposal requires each transit agency that uses it to certify to FTA that its local funding partners did not reduce the proportion of local funding dedicated to transit and that service levels are maintained and not cut below previous levels. This ensures that State and local assistance is not supplanted by Federal operating assistance or that critical service levels are maintained.

Q.2. Would each of you also comment on how performance-based measures should be used?

A.2. Over the past few decades, Federal surface transportation law has increasingly recognized the importance of transportation planning as the basis of transportation spending decisions by State and local officials. States and localities need to better identify and address their transportation problems and needs by making full use of performance data. The Administration supports enhancing the effectiveness of States and Metropolitan Planning Organizations (MPOs) in developing and implementing transportation plans and improvement programs while also ensuring transparency and accountability in public investments. Performance-based planning would help accomplish this. Both metropolitan plans and statewide plans should include performance based goals, outcomes, and targets. These would address not only transportation based outcomes, but environmental and economic development considerations, among others. Performance-based measures would also increase the accountability of MPOs and States who would be required to

demonstrate how investments included in adopted transportation plans, Transportation Improvement Programs and Statewide Transportation Improve Programs (TIPs/STIPs) directly link to the adopted plan's outcomes and performance targets.

FTA also supports the increased use of performance data in managing transit assets. As bringing our Nation's transit systems into a State of Good Repair is one of FTA's highest priorities, FTA has already invested more than \$10 million in funding to support transit asset management efforts, including the enhanced collection of asset condition data to support performance. In our proposed State of Good Repair Bus and Rail Formula program, FTA would create a new formula program that would be based upon repair and replacement needs of aging assets. Further, we would seek greater use of asset management data by transit agencies receiving funding under our Urbanized Area Formula grant program as well as this new program. It is through these types of performance-based efforts that we seek a more strategic use of resources with demonstrable results.

Recognizing that competition often drives innovation, FTA also proposes a "race-to-the-top" style incentive program to encourage fundamental reforms in the planning, building, and management of transportation system. This program would reward States and regions that implement proven strategies that further the Department's strategic goals, strengthen collaboration among different levels of Government, focus on performance and outcomes, and encourage the development of a multimodal transportation system that connects people to opportunities and goods to markets.

Q.3. Each of you has addressed the need for more robust planning tools. However, there is a delicate balance between encouraging better planning that takes into account the diverse needs of a community, and planning that presupposes an outcome and drives all decision making toward that end.

How do we ensure that any changes made to the planning process enhance the ability of States and localities to plan while still allowing them to make the decisions that work for their communities?

A.3. A performance-based planning process would enhance transportation decision making by States and localities. The use of robust local performance data would contribute to a better understanding of State and local transportation needs. The development of performance-based measures and outcomes through a robust public participation process would result in the identification of projects and strategies that work for their communities. In addition, national and locally based performance-based measures provide a platform to demonstrate the effectiveness of transportation investments in achieving expected outcomes. By linking spending with performance, States and localities can demonstrate results and can account to their communities that transportation investments are working.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR MENENDEZ
FROM PETER M. ROGOFF**

Q.1. The Department of Transportation currently employs a variety of programs, databases, and other tools to support travel forecasting, modeling, multimodal transportation planning, scenario planning, data management, and related processes. These functions reside across different Administrations and offices at the Department of Transportation. How well are these programs integrated and do they support one another most effectively? How well are States, regions, local municipalities, and transit agencies served by these tools? Given today's fiscal constraints, what is the Department doing to better coordinate internal resources to ensure that it is serving communities in the most effective manner possible?

A.1. The Federal Transportation Administration (FTA) supports the National Transit Database (NTD) and the Transit Economic Requirements Model (TERM). NTD data is available on the Internet and is widely used throughout the department, the industry, academia, and the public. The NTD data Web site averaged 2305 visits per month over the last 12 months. Data from the NTD is cited in dozens of academic research papers each year and in presentations and at the Transportation Research Board Annual Meeting. In addition, many State DOTs regularly use NTD data to benchmark operational performance of local transit agencies in their respective States.

Congress directed FTA to improve our assessments of the State of Good Repair of transit assets through the FY2010 Department of Transportation Appropriations process. FTA is working with the transit community to develop a template for collecting asset inventory data that will meet local agency needs and facilitate more timely and comprehensive reporting of this data to the NTD. With this effort, FTA will be able to leverage the data agencies already collect rather than require that agencies develop separate data formats for Federal reporting. This asset inventory template will be compatible with FTA-developed analytic tools (like TERM) and will provide a *de facto* standard format to enable development of private-sector analysis tools. FTA expects to pilot test this template in 2012.

NTD data is coordinated with the rest of the Department through staff contacts with the Research and Innovative Technology Administration (RITA), which includes NTD data in its annual Transportation Statistics Report. Additionally, the NTD Program recently transferred its training activities to the National Transit Institute (NTI), which is funded through FTA's Office of Research, Demonstration, and Innovation. Having NTI take the lead in providing training to local transit agencies on how to complete their NTD reports is expected to reduce duplication of effort through increased and more efficient interoffice coordination.

TERM is a financial forecasting model with inputs that includes data on transit assets (about 70 percent of the total value of U.S. transit assets), estimated growth in demand for transit services, and available investment levels. It produces projections of capital reinvestment levels and performance conditions for various asset categories from 1 to 20 years out under various funding scenarios. It is used to produce the biennial Conditions & Performance report

to Congress in cooperation with the Federal Highway Administration (FHWA) whose models of capital investment levels for highways and bridges are similar in purpose. Although these models are not integrated and stand alone, the analysis that we do with them for the C&P report is coordinated, particularly where issues that impact across modes are concerned (*e.g.*, congestion pricing). Both TERM and the Highway Economic Requirements System (HERS) are available to agencies and the public in user-friendly versions for analysis of capital needs at the local level. The State version of HERS (HERS-ST) has been available for several years and the local version of TERM (TERM-Lite) will be available on FTA's Web site later this summer. TERM was instrumental in FTA's investigation of deferred reinvestment in the transit industry for the 2009 Rail Modernization Report to Congress. FTA also is funding the Transportation Research Board's independent evaluation of TERM functionality starting in July of 2011.

FTA also participates in the Department's Analysis, Modeling, and Simulation Working Group, which coordinates the development of research efforts by FHWA and FTA on improving the state of the art in transportation modeling. Also supported is the Travel Model Improvement Program, which provides a forum for U.S. DOT staff to interact with personnel from State DOT's, Metropolitan Planning Organizations, university researchers, and private industry on improving transportation demand models and forecasts.

FTA sponsored development of the Aggregate Rail Ridership Forecasting Model (ARRF) that uses worker-flow data from the Census Transportation Planning Package (CTPP) to predict ridership on "starter" rail lines in metropolitan areas. The model is calibrated against rider survey data from completed New Starts projects that were also starter lines. The CTPP2000 worker-flow data are available nationally from the Census Bureau and similar tabulations are expected from the American Community Survey. FTA maintains an informal library of datasets from surveys of transit riders as the data become available.

Q.2. The 2010 Census and demographic projections tell us that the U.S. population is growing, aging and becoming more diverse. Who will be the future public transportation users and what needs and preferences are they likely to have? How are the Department of Transportation and the Federal Transit Administration supporting States, regions, and local municipalities in anticipating this new reality and what it will demand of a multimodal transportation system with a strong public transportation component?

A.2. To meet the future demands of a growing, changing population, with continually evolving needs, the Department of Transportation (DOT) and FTA are leading the Livable Communities Initiative and Partnership for Sustainable Communities with the Department of Housing and Urban Development (HUD) and the Environmental Protection Agency (EPA). This initiative is aimed toward helping families in all communities—rural, suburban, and urban—gain better access to affordable housing, and lower transportation costs.

More broadly, FTA has also worked with HUD over the longer term to develop stronger programs that encourage transit-oriented

development (TOD), which combines higher-density, mixed use development that is designed and built to benefit its proximity to a public transit station or transfer node. Not only do these developments provide more transportation options to residents, they also support a more diverse population because of their emphasis on including affordable housing in the development mix.

FTA also supports States, regions, and local municipalities meet their future transportation needs through its State of Good Repair (SGR) initiative. A June 2010 FTA study found that the Nation's transit systems, including bus systems, have a \$78 billion backlog of assets in marginal or poor condition and that our Nation's transit systems will require an estimated \$14.4 billion annual investment from all sources (Federal, State, local and fare box) to continue to maintain a state of good repair once that backlog is addressed. FTA's new Bus and Rail State of Good Repair program proposed in the FY2012 budget will provide formula grants to transit agencies over the next 6 years to enable them to improve the condition of their existing capital assets.

Q.3. Today, with gas prices at \$4 a gallon, oil companies reaping record profits, and the threat of climate change and growing wealth disparity looming, transit is part of the solution for a number of interconnected challenges. How are the Department of Transportation and Federal Transit Administration thinking about transportation, in particular public transportation, and its connection to economic development, job creation, housing, education, public health, and quality of life? When we analyze the costs and benefits of different projects or systems plans, we do not often factor in variables such as environmental costs and benefits or public health implications, although we know that impacts, positive or negative, can be enormous. We know that transportation plays a major role in the economy and peoples' lives, so how do the Department and the Federal Transit Administration consider impacts across a spectrum of transportation interventions to ensure that communities have the right information and tools to choose the appropriate mode for a given community context?

A.3. DOT and FTA consider public transportation to be essential to the mobility, accessibility, and connectivity necessary to create and sustain viable, livable communities. To that end, Secretary LaHood has launched a Livability Initiative that establishes livability as a multi- and intermodal priority in all programs across the Department for the purpose of making real improvements in the lives of all Americans. Since June 2009, the DOT has joined its efforts with those of the U.S. Department of Housing and Urban Development (HUD) and the Environmental Protection Agency (EPA) under the Partnership for Sustainable Communities (Partnership) to coordinate Federal housing, transportation and environmental investments, protect public health and the environment, promote equitable development, and help address the challenges of climate change. As a member of this Partnership, the DOT has fostered livable communities through place-based policies and investments that increase transportation choices and access to employment, education, health and social services, and other essential needs and services required for a high quality of life, as well as

promoted transportation policies and investments that bring lasting and equitable economic benefits to the Nation and its citizens. Specific programs have been categorized for livability purposes, while a broad array of programs promote DOT's livable communities strategic goal ranging from planning and research to fixed guideway systems investments and surface transportation improvement to accessibility for disadvantaged populations.

Over the 2 years, FTA, alone, has issued a total of \$8,778,730,416 in grants in American Recovery and Reinvestment Act of 2009 funds covering transportation/transit planning, research and capital investment projects; \$2,678.9 million in Major Capital Improvement discretionary grants, including for Urban Circulators; and \$14,951.5 million in Bus and Bus Facilities discretionary grants for Bus Livability projects. All of these programs have created jobs for Americans in both manufacturing and construction. The Secretary recently announced another \$175 million of grant opportunities for FTA's Bus Livability Program and its Alternatives Analysis Program. Several of these grants have been combined with funding opportunities provided by HUD for Regional Sustainability Planning and Challenge Planning Grants, and EPA Smart Growth Implementation Assistance, Brownfields, and Technical Assistance Grants in order to target resources to help States and local communities create jobs and stronger economies by developing more sustainably.

DOT and FTA have taken several steps to strengthen the connections between public transportation and economic development, including:

- *Changes to the New Starts Program*—rescission of the New Starts cost-effectiveness policy, and additional emphasis on developing measures to reflect the economic benefits of New Starts projects;
- *Changes to bicycle and pedestrian policies*—issuance of new departmental policy ending the bias of motorized transportation over nonmotorized transportation, and development of FTA policy clarifying the eligibility for transit funds for bicycle and pedestrian facilities that link to transit service;
- *Development of web-based tools for linking transit to community-based economic development*—release of FTA's Mixed Income Transit-Oriented Development Action Guide to assist local governments and communities with strategies to facilitate mixed-income housing near transit, and release of the TOD Database to facilitate broad community development in conjunction with transit stations and intermodal facilities; and
- *Review of joint development policies*—FTA is developing comprehensive guidance on its joint development policies and requirements, highlighting best practices.

The New Starts and Small Starts programs, established under 49 U.S.C. 5309(d) and (e), are FTA's primary capital funding programs through which we analysis the costs and benefits of new or extended transit systems across the country, including rapid rail, light rail, commuter rail, bus rapid transit, and ferries. Under this discretionary program, proposed projects are evaluated and rated as they seek FTA approval for a multiyear Federal funding com-

mitment to finance project construction. On January 13, 2010, the Secretary of the Department of Transportation (DOT) announced a change in policy to the New Starts program that restores the statutorily prescribed process for recommending funding for New Starts and Small Starts projects. FTA now gives consideration to the full range of transit benefits: economic development, environmental, social, mobility, and congestion relief benefits. On June 3, 2010, FTA issued an advanced notice of proposed rulemaking (ANPRM) to seek public input on three of the evaluation criteria under the project justification category: cost effectiveness, environmental benefits, and economic development benefits. Based on a review of the comments received to the ANPRM and the lessons learned from implementation of the current methods, FTA is preparing a Notice of Proposed Rulemaking which will propose to measure more explicitly the broad range of benefits that transit projects provide including livability principles and goals that relate strongly to the purposes of many transit investments. More specifically, FTA will seek public comment on project specific measures of nonmobility benefits in the calculation of cost effectiveness and meaningful measures of the environmental benefits and economic development effects of projects.

Q.4. Continuing workforce development and succession planning are persistent challenges for an aging transit workforce. This is especially critical in the area of safety. Do you think transit agencies are doing enough to address these issues? If not, what can we do in a fiscally constrained bill to address them? What is the appropriate role for the Federal Transit Administration?

A.4. Current workforce development activities and programs are insufficient to address the needs of a changing workforce. Under current law, FTA funds a variety of workforce development and training programs and permits recipients of FTA urban area formula grants (Section 5307) and capital program funds (Section 5309) to use up to 0.5 percent of those funds to cover the costs of training employees in areas focused on public transportation at the National Transit Institute (NTI). The latter program is extremely undersubscribed. In FY2009, \$16.2 million was available, but only \$608,000 was spent by a small number of mid-sized transit agencies.

Part of the Federal Role is to examine the best methods to undertake workforce development and on-the-job training involving all facets of the public transportation industry, including, safety. Recently, FTA has allocated \$3 million under the Innovative Workforce Development Program to fund a variety of workforce efforts to address this need. This includes programs in New Orleans and Denver that train new entrants to the workforce for jobs in the transit industry; vocational programs in Massachusetts and New Jersey that prepare high school and college students for careers in transit; leadership training programs in California, New York, Pennsylvania; and Ohio transit agencies, and a distance learning center in South Dakota targeted at rural transit agencies. By highlighting new and existing innovative workforce development programs, FTA feels that it can lead the way for the industry in supporting sustainable and innovative examples and practices that can be duplicated and implemented locally.

Building upon this effort, FTA provided technical assistance to this Committee on a Workforce Development Program to allow the Secretary to make competitively selected grants directly to recipients of Federal public transportation assistance that would be targeted at under-represented populations in areas of high unemployment areas for training apprenticeship and development. Using up to 0.5 percent of the amounts made available to carry out FTA's urbanized area formula grants program, the goal of this program would be to ensure a workforce with the sufficient skill-set available to fill the transit jobs of the future.

Additionally, FTA would expand the eligibility of training purposes for funding provided to transit agencies by formula beyond just the provision of NTI courses. Not more than 0.5 percent of the amounts made available under 5306, 5307, 5310, and 5311 to a recipient and a subrecipient would be available for expenditure, with the approval of DOT, to pay up to 80 percent of the cost of tuition and direct education expenses related to educating and training State and local transportation employees in developments, techniques and procedures related to public transportation.

Building upon past training carried out by the National Transit Institute, FTA would also recommend funding National Public Transportation Institutes to develop and conduct training and education al programs for Federal, State, and local transportation employees, U.S. citizens, and foreign national engaged or to be engaged in Government-aid public transportation work. Education and training of Government, State and local transportation workers would be provided at no cost for subjects that are a Government program responsibility.

Q.5. In your testimony, you outlined the Administration's proposal for temporary and targeted operating assistance to transit agencies operating in urbanized areas with populations greater than 200,000. Is there anything the Federal Transit Administration is doing now, or could do right now to provide some more immediate relief to transit agencies so that they have not completely decimated their staffs by the time a bill passes?

A.5. Under current law, FTA cannot provide operating support to transit agencies in urbanized areas 200,000 or greater in population under the Urbanized Area (5307) Formula Grants program. However, the American Recovery and Reinvestment Act (ARRA) did provide limited operating assistance to agencies during the economic downturn. Recognizing the challenges of an economic recession on transit agencies, the President proposed in his FY2012 Budget to Congress temporary and targeted operating assistance for transit agencies. This proposal will provide transit agencies with much-needed flexibility to support vehicle operators and fuel costs, when this assistance is absolutely needed for a limited time.

While transit agencies in urbanized areas 200,000 or greater in population are generally not allowed to use their Section 5307 Formula Grants for operating assistance, the definition of capital in 49 U.S.C. 5302(a)(1)(A) does permit funds to be used for preventive maintenance related to operations. Of the 152 urbanized area transit systems in areas 200,000 or greater in population, 136 reported to FTA that overall maintenance expenditures typically exceed

their total Section 5307 apportionment. Only five of these transit systems reported total maintenance expenditures that were less than 75 percent of their Section 5307 apportionment. Thus, the vast majority of these systems can and typically do use their Section 5307 formula funding towards ensuring that their existing capital asset base is well-maintained.

Q.6. Transportation, especially transit, is multimodal and yet we authorize, regulate, and administer modes separately. People of all ages and abilities may walk, bicycle, roll, or drive to transit. How can we ensure that transit services and facilities provide for a variety of travel options for a variety of users? Is there a Federal role for highlighting best practices in planning, project programming, and system design?

A.6. The first Livability Principle embraced by DOT is to provide more transportation choices. FTA has long promoted accessibility to disadvantaged populations through its Elderly and Persons with Disabilities, Job Access and Reverse Commute, and New Freedom Programs. However, recent demographic trends and economic conditions indicate that providing special transit services for certain populations is becoming too costly for transit providers to continue at current levels. FTA encourages transit providers to “mainstream” members of these populations, as practicable, to use regular transit services. Further, FTA emphasizes planning and designing station areas and their access routes to better interface with the communities they serve. As part of the Department’s Livability Initiative, FTA is also working with the Federal Highway Administration in promoting “Complete Streets” and “Context Sensitive Solutions” to provide for pertinent planning guidelines and practices in a variety of communities.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR SHELBY
FROM WILLIAM W. MILLAR**

Q.1. I am concerned that we continue to make investments in infrastructure without any state of good repair requirement.

What is APTA’s position regarding a state of good repair requirement?

A.1. Safety is the number one priority of the public transportation industry and bringing the Nation’s transit assets up to a state of good repair is essential for ensuring the safety of riders and transit employees. APTA believes Congress should take a “needs based” approach to the distribution of funds under the Federal public transportation program which builds on the current program structure and begins to address unmet program needs.

We need a well funded, long-term authorization bill that ensures assets are maintained in a state of good repair or better but also provides the capacity expansion necessary to accommodate the projected doubling of transit ridership over the next 20 year period.

Q.2. What do you believe should be done to ensure that infrastructure assets are adequately maintained?

A.2. Transit systems are presently starved for funding, with a nearly \$78 billion state of good repair backlog according to the FTA. The necessary resources to maintain infrastructure assets

must be made available. While “doing more with less” is a valid approach, it only addresses the needs of the public transportation program around the margins. The needs are simply too great to maintain infrastructure assets without predictable, robust investment.

Q.3. Comment on how performance measures should be used?

A.3. In its recommendations on the development of a new Federal surface transportation authorization bill APTA identified a number of goals that should be included as part of a national transportation policy which recognizes public transportation needs and benefits. APTA believes that the bill should help every metropolitan region to operate a high-capacity, high quality, energy efficient, environmentally responsible public transportation system, with a choice of travel options available to Americans in all regions. It should support public transportation investment that accommodates a doubling of public transportation ridership over the next 20 years. It should be part of a national strategy to strengthen the economy and promote energy independence, improve air quality, address climate change, and provide mobility choices, and it should serve national defense needs by providing mobility options in emergencies.

APTA supports performance measures and accountability that ensure the efficient and transparent use of Federal funds and supports national goals, but such measures must recognize the differences between different types of transit agencies and different communities. For example, it does not make sense to compare ridership growth in a small community with a new transit system or new commuter rail operation with such growth in an older city with a transit rail system already operating at close to capacity levels. We also urge Congress to establish performance measures that serve national goals, but do not create unnecessary or counterproductive administrative burdens or reporting requirements.

Any performance based program established at the Federal level should:

- Acknowledge the significance of State and local funding contributions and the need for local authority in establishing the performance objectives and priorities.
- Recognize that many regions include numerous transit systems with disparate funding sources and that performance measurement requirements should take into account this complexity when developing requirements.
- Protect and recognize the critical need for predictable funding levels.

Q.4. Each of you has addressed the need for more robust planning tools. However, there is a delicate balance between encouraging better planning that takes into account the diverse needs of a community, and planning that presupposes an outcome and drives all decision making toward that end.

How do we ensure that any changes made to the planning process enhance the ability of States and localities to plan while still allowing them to make the decisions that work for their communities?

A.4. APTA strongly recommends strengthening the public transportation role in regional decision making. Planning at regional level is crucial for public transportation agency plans and programs. Regional planning establishes the demographic and land use projections, the social equity objectives, the economic development objectives, and the environmental stewardship objectives for the region into which the public transportation development program must fit. It also provides for the development of improved planning tools and forecasting models that can support public transportation agency planners. Public transportation agency involvement in all of those regional planning efforts ensures the region does not lose sight of public transportation needs and considerations and helps the region make the best decisions to meet the needs of local communities.

The new authorization should include language stipulating that the FTA/FHWA regulations on Statewide and Metropolitan Transportation Planning require fair and equitable voting representation of the region's public transportation operating agency or agencies on the policy board and technical committees of the Metropolitan Planning Organizations (or other regional transportation planning bodies), regardless of whether the body is newly formed or existing, no matter the size of the urban region.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR MENENDEZ
FROM WILLIAM W. MILLAR**

Q.1. Safety is always of paramount concern and a recent train accident in Hoboken, New Jersey, underscores that point. As Congress works to overhaul transit safety at the Federal Transit Administration, what can public transportation systems do now to achieve immediate improvements? What the best ways for reauthorization to support these activities?

A.1. The American Public Transportation Association (APTA) is dedicated to making an already safe industry even safer and is the officially designated standards organization for the public transportation industry. For more than 20 years, APTA has partnered with the U.S. transit industry, the Federal Transit Administration (FTA), and its predecessor organization, the Urban Mass Transit Administration (UMTA) to develop standardized programs for safe, efficient, and secure transit operations. APTA has also developed and continues to manage a number of safety specific programs that call for the creation of system safety plans and provide safety audits for transit operators and other services. APTA's work in this arena served as the basis for the existing FTA State Safety Oversight (SSO) Program. APTA's safety programs are recognized internationally in North America, Europe, and Asia and are designed to examine every area of transit planning, construction, acquisition, operations, security, emergency preparedness, and maintenance to ensure the safety of our public transportation passengers and employees. For greater detail about these initiatives, please review the testimony previously presented to the Committee which can be found here: http://www.apta.com/gap/testimony/2009/Documents/091210_SenateBankingTestimony.pdf.

APTA believes that effective safety oversight of public transportation requires a collaborative effort between Federal, State, and local agency partners. To that end, the existing SSO framework should be strengthened and provided with the tools and funding necessary to ensure that SSO's can utilize uniform standards for monitoring and auditing that are flexible enough to deal with new and emerging technologies. It is not enough to simply issue mandates and regulations—State Safety Oversight Agencies (SSOA) must have the resources required to carry out their mission. Passage of a well-funded, 6-year, multimodal reauthorization of surface transportation legislation that includes the necessary resources for a strengthened SSO framework and that builds upon consensus based industry standards will be the most effective way to make immediate transit safety improvements.

Also of critical importance to achieving safety goals is that the next authorization of surface transportation law must provide the needed resources to ensure that public transportation assets achieve a state of good repair or better.

Q.2. There seems to be some consensus that reauthorization should establish national goals for the surface transportation program and that State, regional, and local performance measures should be tied to those goals. Does APTA have a specific proposal for national goals and local performance measures for public transportation? What kind of framework should States, regions, and localities use to implement performance measures for transportation planning and programming that advance congressionally identified national goals? Finally, how would this approach respect local priorities on the ground while preserving the integrity of national goals?

A.2. In its recommendations on the development of a new Federal surface transportation authorization bill APTA identified a number of goals that should be included as part of a national transportation policy which recognizes public transportation needs and benefits. APTA believes that the bill should help every metropolitan region to operate a high-capacity, high quality, energy efficient, environmentally responsible public transportation system, with a choice of travel options available to Americans in all regions. It should support public transportation investment that accommodates a doubling of public transportation ridership over the next 20 years. It should be part of a national strategy to strengthen the economy and promote energy independence, improve air quality, address climate change, and provide mobility choices, and it should serve national defense needs by providing mobility options in emergencies.

APTA supports performance measures and accountability that ensure the efficient and transparent use of Federal funds and supports national goals, but such measures must recognize the differences between different types of transit agencies and different communities. For example, it does not make sense to compare ridership growth in a small community with a new transit system or new commuter rail operation with such growth in an older city with a transit rail system already operating at close to capacity levels. We also urge Congress to establish performance measures that

serve national goals, but do not create unnecessary or counter-productive administrative burdens or reporting requirements.

Any performance based program established at the Federal level should:

- Acknowledge the significance of State and local funding contributions and the need for local authority in establishing the performance objectives and priorities.
- Recognize that many regions include numerous transit systems with disparate funding sources and that performance measurement requirements should take into account this complexity when developing requirements.
- Protect and recognize the critical need for predictable funding levels.

Q.3. We can address a number of interconnected challenges through public transportation: economic development, job creation, reducing our dependence on oil, creating more equitable communities, and improving the natural environment, are a few. Transportation, especially transit, is multimodal and yet we authorize, regulate, and administer modes separately. How can we ensure that transit services and facilities provide for a variety of travel options for a variety of users? Is there a Federal role for highlighting best practices in planning, project programming, and system design?

A.3. In APTA's authorization recommendations, coordination and intermodalism is specifically discussed as a key priority. The new authorization should encourage regional transportation investment choices to be multimodal in nature, including:

- The new authorization should include language stipulating that the FTA/FHWA regulations on Statewide and Metropolitan Transportation Planning require fair and equitable voting representation of the region's public transportation operating agency or agencies on the policy board and technical committees of the Metropolitan Planning Organizations (or other regional transportation planning bodies), regardless of whether the body is newly formed or existing, no matter the size of the urban region.
- Provision for multimodal corridor planning that looks at public transportation, highway and combination options, and avoids competing facilities occurring simply because they draw upon different funding programs or resources, which are governed by different regulations.
- Public transportation megaprojects should be eligible under the FHWA High Priority Projects program in order for it to be administered and operated as a fully functioning, multimodal program.
- Expands the use of flexible funding in making regional transportation choices for all modes.

APTA has also consistently applauded the multimodal approach taken through the American Recovery and Reinvestment Act (ARRA), in its Transportation Investments Generating Economic Recovery (TIGER) program and its successor programs and encour-

ages this approach in a new authorization. APTA is also supportive of Complete Streets policies that ensure that streets are designed with all users in mind. APTA also recommends the following policies:

- Extend coordination requirements for federally funded agency transportation programs to require the development of consistent administrative policies and procedures for highway and public transportation projects.
- Increase investment in research and development programs that will enhance service delivery, promote “best practices” through technical standards, and increase the operational efficiency of transportation systems.
- Increase investment in research and development for new technologies such as clean fuels, ITS enhancements, and interoperable wireless communication.
- Continue to support University Transit Centers, Project Action, the National Transit Institute, the Transit Cooperative Research Program and the FTA’s national research program.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR MENENDEZ
FROM DALE J. MARISCO**

Q.1. While consolidation can increase the efficiency of program administration, important details could be overshadowed by bigger goals. As we consider proposals to consolidate programs for elderly, disabled, and low income communities, what must we be mindful of, so that reauthorization does not compromise our ability to continue to provide these populations with high quality service?

A.1. Response not provided.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR MENENDEZ
FROM LARRY HANLEY**

Q.1. Workforce development and succession planning are major challenges for an aging transit workforce. Do you think transit agencies are doing enough to address these issues? If not, what can we do in a fiscally constrained bill to address these issues?

A.1. No, we do not believe that nearly enough is being done in this area. The public transportation industry, like many service-based sectors in the United States, will be faced with major challenges in the near future. A large percentage of the transit workforce—both blue and white collar—will be retiring within the next few years. There is no pipeline of replacements on the horizon because the industry has a negative public image that hampers its ability to attract, recruit, and retain quality employees. And, for the existing workforce, new technology is rapidly changing the way transit agencies function, affecting every executive director, mid-level manager, bus driver and mechanic alike. Yet, relatively few programs exist to provide training to workers so that they can perform their jobs adequately, move up the career ladder, and help the Nation’s transit agencies operate at maximum efficiency.

According to an industry survey, driver recruitment and retention continues to be the greatest challenge for 63 percent of transit

systems. Finding experienced labor trails only funding costs and concerns as transit agencies' top concern.

Yet, funding for training and career ladder programs within the transit industry is virtually nonexistent. By way of comparison, the Paris, France, Metro system spends approximately 8 percent of its funding on training. For U.S. transit systems, the average system uses less than 1 percent.

The ATU and APTA support the Transportation Job Corps Act of 2011 (H.R. 929, Nadler) groundbreaking legislation that would finally address the training needs of the public transportation industry and serve to provide disconnected youth outside the industry with an incentive to pursue careers in transit.

We understand the constrained fiscal environment in which the reauthorization bill is being written. However, the Job Corps Act will not break the FTA's budget.

The bill would simply authorize the creation of 10 new regional Joint Workforce Development Councils—one for each FTA region. The councils, made up of equal numbers of labor and management representatives, would be responsible for setting up a process to offer workforce development programs to transit agencies in each of the FTA zones.

The primary purpose of this program would be to identify skills gaps in transit agency maintenance departments and to develop programs to train maintenance employees on a regional basis, rather than one agency at a time. The councils would also develop programs—outside of the traditional collective bargaining environment—to address the recruitment and retention of white and blue collar workers as well as programs to deal with Family Medical Leave Act issues, including absenteeism, ergonomics, “well care” programs, child care and other employment-linked services, and other matters.

Q.2. Whether you are in South Dakota, Alabama, or New Jersey, a bus is a bus is a bus. At the same time, transit environments—geography, technology, community types, *etc.*, differ from one another. Is it possible to take a standardized approach to workforce development that responds to national needs and is also flexible enough to be useful across a spectrum of public transportation agencies?

A.2. Yes, and we believe the Job Corps Act does exactly that.

The bill directs the Secretary of Transportation, acting through the Administrator, to establish programs for the award of grants to: (1) nonprofit organizations and educational institutions to introduce disconnected youth (ages 16 through 24 who are out of school and unemployed) to careers in the transit industry by providing them with basic skills education and preapprenticeship skills; (2) partnerships of transit agencies and unions representing nonmanagerial employees, as well as providers of management and technical programs for managerial employees, to develop education programs to improve job skills of transit employees and to provide education and training to assist individuals to enter the transit profession; and (3) the same or similar partnerships to develop special projects to increase education opportunities for disadvantaged transit industry individuals, including racial and ethnic minorities underrep-

resented in transit management, by providing student scholarships, preentry preparation, and retention activities.

These modest programs, in combination with the structure provided through the councils, would address workforce issues that are common throughout U.S. transit agencies in a manner that is consistent with local needs.

In addition, through a new National Joint Workforce Development Council, the bill would allow for the sharing of innovative workforce development solutions between regions. We believe this bill can be a model for labor-management partnerships, not only in the transportation arena, but in other sectors as well.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR SHELBY FROM JAYETTA Z. HECKER

Q.1. Ms. Hecker, we heard from Administrator Rogoff regarding the Administration's proposal to increase public transportation funding. What we did not hear however, was how the Administration plans to pay for their proposal or whether such a significant increase in funding will supplant State and local funding.

Could you address the proposed increase and how that may ultimately impact the funding provided by State and local governments?

What will be the impact on the Trust Fund if we bring all public transportation spending under the Trust Fund?

A.1. Response not provided.

Q.2. Ms. Hecker, do you believe that we should encourage the use of innovative financing methods to advance public transportation capital projects given the Federal financing limitations we are facing?

A.2. Response not provided.

Q.3. Performance based measures seem to be the catch phrase of this reauthorization. Yet, the proposals I have seen thus far seek to collect a significant amount of data to allow bureaucrats in Washington to make infrastructure decisions for localities.

Ms. Hecker, what is your view about the best way to implement performance-based measures without it becoming a means for central planning by bureaucrats?

A.3. Response not provided.

Q.4. Would each of you also comment on how performance-based measures should be used?

A.4. Response not provided.

Q.5. Each of you has addressed the need for more robust planning tools. However, there is a delicate balance between encouraging better planning that takes into account the diverse needs of a community, and planning that presupposes an outcome and drives all decision making toward that end.

How do we ensure that any changes made to the planning process enhance the ability of States and localities to plan while still allowing them to make the decisions that work for their communities?

A.5. Response not provided.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR MENENDEZ
FROM JAYETTA Z. HECKER**

Q.1. Communities are often not empowered to develop the projects they want. Instead they often build the “business as usual” project which is almost invariably a highway project. Highways are appropriate in certain circumstances, but as high-speed throughways they do not always address the needs of local communities as well as transit projects can. In this bill, what barriers can we clear or what resources can we provide to truly empower local communities to develop the projects that best fit them? What examples from around the country or abroad illustrate truly multimodal transportation planning at its best? What lessons can we apply to reauthorization?

A.1. Response not provided.

ADDITIONAL MATERIAL SUPPLIED FOR THE RECORD

**STATEMENT SUBMITTED BY TRANSIT RIDERS FOR PUBLIC
TRANSPORTATION**

Members: *Advocates for Environmental Human Rights (New Orleans, LA), Atlanta Transit Riders Union (Atlanta, GA), Alternatives for Community & Environment/T Riders Union (Boston, MA), Bus Riders Union/Labor Community Strategy Center (Los Angeles, CA), Center for Race, Poverty and the Environment (CA), Communities United for Transportation Equity (New York, NY), Environmental Justice Resource Center, Clark Atlanta University (Atlanta, GA), Just Transition Alliance (national), Little Village Environmental Justice Organization (Chicago, IL), New York City Environmental Justice Alliance (New York, NY), OPAL Environmental Justice Oregon (Portland, OR), Oregon Action (Portland, OR), People Organized in Defense of the Earth and Her Resources (Austin, TX), Portland Transit Riders Union (Portland, OR), Pratt Center for Community Development (New York, NY), Public Advocates Inc. (CA), UPROSE (Brooklyn, NY), Urban Habitat (Oakland, CA), and WE-ACT for Environmental Justice (New York, NY).*

Chairman Johnson, Ranking Member Shelby, and Members of the Committee, thank you for the opportunity to present the following testimony on behalf of Transit Riders for Public Transportation (TRPT). TRPT is a national campaign of civil rights and environmental justice organizations dedicated to strengthening civil rights protections in the next surface transportation reauthorization so that all Americans, no matter their backgrounds or the neighborhoods they live in, benefit fairly from Federal transportation investments.

Transportation is a fundamental lifeline to opportunity. When individuals and communities receive a fair share of transportation investments and services, their increased mobility opens up greater access to jobs, education, health services, and other necessities. In contrast, discriminatory transportation outcomes can lead to increased housing segregation, isolation, displacement, air pollution, traffic and pedestrian fatalities, decreased job access, and other disparities along racial lines. Ensuring nondiscrimination in the use of taxpayer dollars for transportation is as important today as when our Nation's first civil rights laws were enacted.

A critical safeguard for ensuring fairness in Federal spending is Title VI of the Civil Rights Act of 1964, which prohibits recipients of Federal dollars from discriminating on the basis of race, color, or national origin. Implementing regulations issued by the U.S. Department of Transportation (USDOT) include robust protections against federally funded activities that have the purpose or effect of discriminating on the basis of race, color, or national origin.

The effectiveness of these safeguards, however, has been significantly hampered by a series of judicial decisions, inadequate agency enforcement, and a lack of research on racial disparities in transportation.

As a result of the Supreme Court's decision in *Alexander v. Sandoval* in 2001, individuals cannot enforce in court the disparate impact regulations issued by Federal agencies to effectuate Title VI. As such, Americans who are harmed by federally funded activities that cause unjustified racial disparities must rely solely on agency enforcement to obtain relief. Such relief, however, has been largely frustrated by woefully inadequate enforcement and a growing backlog of unresolved administrative complaints.

A 2010 investigation by the USDOT Office of the Inspector General (OIG) has revealed widespread failures by many State highway agencies to ensure basic civil rights compliance, across multiple statutes, including Title VI, American with Disabilities Act, Equal Employment Opportunity, and Contractor Compliance. Nineteen State highway agencies were found to lack administrative systems to enforce Title VI, such as having adequate civil rights staff or giving staff sufficient decision-making authority. Many States did not conduct compliance reviews of their subrecipients or investigate Title VI complaints filed by members of the public. Four States had not even signed Title VI assurance statements—the most basic of Federal compliance obligations.¹

According to the 2009 National Civil Rights Program Baseline Assessment Final Report by the Federal Highway Administration (FHWA):²

- There is an organizationally fragmented approach to civil rights program compliance, enforcement, and monitoring throughout the Nation.

¹See, April 22, 2010, letter from Secretary Ray LaHood to Assistant Special Counsel William Reukauf, available at <http://bit.ly/l4ZdGi>.

²Available at <http://bit.ly/mqEc9E>.

- There is a deficiency of civil rights program knowledge in the field. In some cases, this includes the expertise level of FHWA Division Office staff.
- There is weak data collection and an absence of analysis and monitoring systems.
- Forty-seven percent of State highway agencies were rated at “high risk” in terms of Title VI implementation, 15 percent at “moderate risk,” and 37 percent at “low risk.”

The USDOT Inspector General also found that ten FHWA Division Offices violated USDOT’s Title VI regulations by failing to launch investigations into non-compliance by State highway agencies. Together, these findings are particularly alarming since nearly 80 percent of all funds in the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA–LU) is channeled through FHWA and State highway agencies.

In addition, a growing backlog of civil rights complaints, including Title VI complaints, at USDOT is denying the ability of members of the public to utilize the administrative process to have discrimination grievances promptly investigated and resolved. As Table A below shows, the number of unresolved complaints at USDOT has more than doubled between FY2007 and FY2009.

TABLE A: USDOT’s Complaint Backlogs

	Unresolved Complaints (All Civil Rights) FY 2007	Unresolved Complaints (All Civil Rights) FY 2008	Unresolved Complaints (Title VI Only) FY 2009
OST	0	0	0
FAA	7	4	4
FHWA	2	5	22
FMCSA	0	0	3
FRA	2	2	2
FTA	8	21	12
MARAD	0	0	0
NHTSA	0	1	0
PHMSA	0	0	0
RITA	0	0	0
<i>Total</i>	19	33	43

Sources: (1) USDOT’s Executive Order 12250 Report for FY 2008 to the U.S. Department of Justice; and (2) USDOT Response to Congressional Research Office Inquiry to Rep. Laura Richardson, June 2010.

Congress must take prompt action to restore comprehensive Title VI enforcement so that Federal agencies and local communities can ensure fairness in transportation investments. Continued research and data collection are also needed to identify and remove barriers to transportation equity.

TRPT recommends that the surface transportation reauthorization:

- Provide additional funding to enhance Title VI monitoring, enforcement, and technical assistance activities by USDOT.
- Restore the right of victims of discrimination to bring suits in court to enforce USDOT’s Title VI disparate impact regulations.
- Continue funding for the Transportation Equity Research Program, which supports rigorous research on the impact of transportation planning and investments on low-income and minority communities.
- Require a quadrennial assessment by the Secretary of Transportation to help identify and remove impediments to equal opportunity and nondiscrimination in transportation projects, programs, and activities.

Again, we thank you for the opportunity to submit our testimony for the record.

STATEMENT SUBMITTED BY THE NATIONAL CONGRESS OF AMERICAN INDIANS

On behalf of the National Congress of American Indians (NCAI), thank you for the opportunity to provide testimony on public transportation in Indian Country. NCAI is the oldest and largest national Indian organization in the United States and is dedicated to protecting the rights of tribal governments to achieve self-determination and self-sufficiency. NCAI looks forward to working with Members of this Committee to enhance public transportation infrastructure for Indian Country.

All transportation infrastructure including transit is important to economic growth in Indian Country. Tribal transit is a necessary element to transportation infrastructure because it offers access to employment, health, education, and commerce for tribes. Lack of employment has continuously been a difficult issue for tribes. Currently, the unemployment rate for on-reservation Indians is 18.6 percent, while for Alaska Native villages it is 25.1 percent.¹ In addition, 15 percent of tribal members have to travel over 100 miles to access basic services such as a bank or ATM.² The combination of high unemployment and the far distance to travel to access basic services result in a great need for public transportation in Indian Country and surrounding non-Indian rural communities.

In 2005, the enactment of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law 109-59, authorized the U.S. Department of Transportation Federal Transit Administration (FTA) to administer Section 5311(c), the "Public Transportation on Indian Reservations Program" or as it is referred to as, Tribal Transit Program. The purpose of the Tribal Transit Program is to fund capital, operating, planning, and administrative expenses for public transit projects in rural tribal communities.

The Tribal Transit Program provides grant transit funding through a national competitive process to federally recognized tribes. The Tribal Transit Program funding level began at \$8 million for FY2006 and increased to \$15 million for FY2010. Since the initiation of the Tribal Transit Program, FTA has awarded approximately 236 grants to tribes totaling \$60 million. However, the total amount requested by tribes who have applied for the Tribal Transit program is approximately \$189 million. So, even though the amounts that have been awarded thus far are a good start on addressing the immense need for public transportation in Indian Country, the overall need is much greater.

Many tribes utilize the Tribal Transit Program to begin or maintain their transit services on tribal lands. NCAI is conscious of the significant role that public transportation plays in Indian Country, and how much tribes rely on this transit funding to further their transportation infrastructure. It is important Congress continues to sustain the Tribal Transit Program.

NCAI recommends the following:

- *Funding*: Increase funding for Tribal Transit Program to \$35 million for FY2012 with stepped increases of \$10 million for every year thereafter to \$85 million.
- *Transit Planning*: Raise the current cap for Transit Planning Grants to \$50,000. Currently, tribes are capped at \$25,000 to use for planning and design. This cap is a hindrance for tribes who do not possess the financial resources to initially establish a reliable transit system on their tribal land.
- *Indian Self-Determination and Education Assistance Act (ISDEAA)*: Extend the Indian Self-Determination and Education Assistance Act (ISDEAA) within FTA to allow tribes to contract with FTA for the Tribal Transit Program and other transit funding. Using ISDEAA agreements within FTA would ensure more FTA funds are used to provide actual transit services and less money is used in unproductive grants management administration. Current grant conditions within FTA are often inconsistent with tribal government program administration. By extending the ISDEAA to FTA, it would enable tribes to gain greater flexibility and sustainability in tribal transit programs.
- *Technical Assistance*: As tribal transit systems continue to grow, tribal governments and Tribal Technical Assistance Programs (TTAP) need additional funding to provide training and technical assistance to tribal leaders and tribal transit officials. Under SAFETEA-LU, Congress now provides roughly \$9 million annually to State governments to provide research, training, and technical assistance services to rural transit programs, but almost none of these training

¹ U.S. Census, 2005–2009 American Community Survey 5-Year Estimates.

² U.S. Department of Treasury Community Development Financial Institutions Fund, Native American Lending Study, p. 22, (2001) http://www.cdfifund.gov/what_we_do/nacd/lending_study.asp.

resources find their way to Indian country. As has been proven by the early success of the Tribal Transit Program, the best way to ensure that tribal governments receive a fair share of these Federal resources is to make tribal governments eligible as direct recipients of these funds. Given their close working relationship with tribes and their proven training expertise in tribal transportation matter, it is also sensible to route some of these Rural Transit Assistance Program funds to the existing TTAP centers to provide rural transit training and technical assistance to tribal transit officials.

Conclusion

The enactment of SAFETEA-LU allowed Indian tribes to pursue improved public transportation for their tribal communities; however, there continues to be significant need in Indian Country. NCAI is committed to working with this Committee and tribal governments to improve and build upon the successes from the last transportation authorization. Indian tribes recognize that transportation infrastructure is vital to the enhancement of Indian tribal economic development and to provide safe and reliable public transportation infrastructure to tribal communities and surrounding nontribal areas.

STATEMENT SUBMITTED BY WADE HENDERSON, PRESIDENT AND CEO, THE LEADERSHIP CONFERENCE ON CIVIL AND HUMAN RIGHTS

Chairman Johnson, Ranking Member Shelby, and Members of the Committee: I am Wade Henderson, President and CEO of The Leadership Conference on Civil and Human Rights. Thank you for the opportunity to submit testimony for the record on the reauthorization of our Nation's Federal surface transportation programs.

The Leadership Conference on Civil and Human Rights is a coalition charged by its diverse membership of more than 200 national organizations to promote and protect the civil and human rights of all persons in the United States. Founded in 1950 by A. Philip Randolph, Arnold Aronson, and Roy Wilkins, The Leadership Conference works in support of policies that further the goal of equality under law through legislative advocacy and public education.

I applaud the Committee for holding this hearing on a matter of great significance to the civil and human rights community. Smart and equitable transportation systems connect us to jobs, schools, housing, health care services—and even to grocery stores and nutritious food. But millions of low-income and working-class people, people of color, and people with disabilities live in communities where quality transportation options are unaffordable, unreliable, or nonexistent. For The Leadership Conference, transportation policy is a key civil rights issue and one that is critical to ensuring opportunity for all. The choices we make with respect to Federal transportation policy—what we build, where we build, who builds it, what energy powers it—have an enormous impact on our economy, our climate, our health, and on our ability as a society to achieve the American Dream.

Critical decisions about transportation policy are often made without the input of members of underserved communities who most rely on public transportation. It's not surprising, then, that transportation decisions and spending do not benefit all populations equally. As a result, the negative effects of some transportation decisions—dissecting neighborhoods of low-income families and people of color, physically isolating them from needed services and businesses, and disrupting once-stable communities—are broadly felt and have lasting effects. The report of our sister organization, The Leadership Conference Education Fund, "Where We Need to Go: A Civil Rights Roadmap for Transportation Equity", discusses some of these effects and is the first in a series of reports examining the key roles transportation and mobility play in the struggle for civil rights and equal opportunity.

As this Committee develops the transit title of the next surface transportation authorization bill, there is a significant opportunity to lay a foundation for more equitable transportation options that will serve us well into the future. We urge Congress to invest in transportation infrastructure in a responsible manner to build a Nation where every person, whether in an urban area or rural hamlet, can participate and prosper.

Transportation Policies and Job Access

Our transportation policy has the potential to expand economic opportunity for low-income and underrepresented workers by connecting them to highway, transit, and rail construction jobs. Transportation spending generates jobs for workers in the construction industry and also has indirect effects on job creation by increasing the efficiency of the transportation system and improving business productivity. At a

time of high unemployment and unprecedented income inequality, equity in transportation policy is one of the most pressing civil and human rights issues our Nation faces.

The pending reauthorization of our Federal surface transportation law is an opportunity to unleash the major job-creation potential of transportation-related projects. The next reauthorization should dedicate transportation funds to the recruitment, training, and retention of underrepresented workers¹ in the transportation sector. Incorporating a construction careers program into the surface transportation authorization will create substantial opportunities for low-income workers to move into the middle class. The next reauthorization should also strengthen and enforce contracting goals for disadvantaged business enterprises. The construction industry was hit by the recession worse than any other industry.² But spending money just to repair infrastructure or create new infrastructure is not enough.

Investing in public transportation is also an essential ingredient for continued economic growth. The American Public Transportation Association estimates that 36,000 jobs are created or supported for every \$1 billion invested in public transportation; and every \$1 invested in public transportation generates almost \$4 in economic benefits.³ Public transportation services across the country are being drastically cut and fares continue to rise at a time when working families and low-income people most need quality, affordable transportation options to find and retain work opportunities. More than 80 percent of the Nation's transit systems are considering or have recently enacted fare increases or service cuts, including reductions in rush-hour service, off-peak service and geographic coverage.⁴ A large number of unemployed workers are transit-dependent individuals who can no longer get to work because of these reductions and cuts. Nearly 20 percent of African American households, 14 percent of Latino households, and 13 percent of Asian households live without a car, compared with only 4.6 percent of White households.⁵ The severe transit cuts are causing a mobility crisis, preventing transit-dependent individuals from getting to work because their rides are gone. Our transportation policy could stimulate growth and opportunity for low-income individuals by connecting them to jobs and economic opportunity.

But we cannot get our economy back on track if millions of individuals are unable to travel to work. Congress should maintain funding for development and construction of new public transit lines, which provide job opportunity and low-cost transportation choices. Also, transit systems should be provided with flexibility to use Federal funds for operating costs to maintain critical services that keep people connected to communities.

To help provide critically needed jobs and job access, we support:

- Establishing a construction careers program that would target jobs to low-income workers, ensure quality job training, support quality preapprenticeship training programs, and use community workforce agreements.
- Promoting workforce development, such as the Transportation Job Corps, which would create a career-ladder grant program within the Federal Transportation Administration at the U.S. Department of Transportation (DOT) to help existing workers retain jobs in the public transportation industry, while also recruiting and preparing young adults from low-income communities and communities of color, who are underrepresented in transit sector jobs.⁶

¹Of the roughly 8 million people employed in the transportation construction industry in 2008, African Americans comprised only 6 percent and women comprised less than 3 percent. U.S. Bureau of Labor Statistics, "Household Data Annual Averages, Table 11: Employed Persons by Detailed Occupation, Sex, Race, and Hispanic Origin", 2008.

²"Construction Employment Rises in 20 States Between October and November", Associated General Contractors of America Dec. 17, 2010; Daniel Massey, *Hard Hats Among the Hardest Hit*, Crain's New York, Feb. 28, 2011.

³"Job Impacts of Spending on Public Transportation: An Update", American Public Transportation Association, April 29, 2009, at http://www.apta.com/gap/policyresearch/Documents/jobs_impact.pdf.

⁴"Impact of the Recession on Public Transportation Agencies", The American Public Transportation Association, Survey Results March 2010 at http://www.apta.com/resources/reportsandpublications/Documents/Impacts_of_Recession_March_2010.pdf.

⁵Brookings Institution and UC-Berkeley, "Socioeconomic Differences in Household Automobile Ownership Rates" at <http://gsppi.berkeley.edu/faculty/sraphael/berubedeakenraphael.pdf>. Thirty-three percent of poor African Americans and 25 percent of poor Latinos lack automobile access, compared to 12.1 percent of poor whites. PolicyLink, "The Transportation Prescription: Bold New Ideas for Healthy, Equitable Transportation Reform in America".

⁶Rep. Nadler's H.R. 929, The Transportation Job Corps Act of 2011 would create a career ladder grant program within the U.S. Department of Transportation's Federal Transit Adminis-

Continued

- Enhancing DOT's On-The-Job Training Program to apply to transit, railways, and all other surface transportation projects in order to increase the workforce available to complete these projects and increase the participation of women, minorities, and disadvantaged individuals.⁷
- Preserving and expanding Section 5310, which provides needed transportation services for seniors and persons with disabilities who cannot be reasonably accommodated by existing transportation providers. We also support the Job Access and Reverse Commute (JARC) program, which makes funds available to provide new and expanded transportation services to enable low-income individuals to access job training and work. The JARC program helps address the barrier of the cost of car ownership by providing funds to support the development of new transportation services that fill gaps in existing services. In addition, we support the New Freedom program, which serves a critical transportation need in the disability community. These programs should be strengthened by improved oversight and transparency to help nonprofit partners provide much needed assistance to these communities.

Transportation Policies and Affordable Housing

Transportation decisions have contributed to economic and racial segregation in our metropolitan areas. Due to the lack of affordable and accessible transportation services, aging Americans, including persons with disabilities, often remain isolated and segregated in their homes with few options to become integrated members of their communities.

Neighborhoods that are accessible only by car are off limits to those who can't afford automobiles or lack the ability to drive, even if housing costs are within their means. The transportation reauthorization bill should create resources to help communities undertake transit-oriented development that encourages the creation of affordable housing and supports critical community services.

Effective coordination of transportation and housing policy is essential for achieving transportation equity. Our transportation policies should:

- Reward and promote affordable housing near public transportation by reforming funding programs and providing station area planning grants to local communities; and
- Reduce transportation costs in places where housing costs are low by strengthening reverse-commute systems or expanding public transit service to low-income neighborhoods or communities, people with disabilities, and seniors.

Transportation and Access to Affordable Health

Inadequate access to transportation has also exacerbated health disparities. Isolation from health care providers has serious consequences for many disadvantaged communities. Low-income patients miss appointments—often worsening their medical problems. And low-income people and people of color disproportionately lose out on educational and work opportunities due to health problems.

The high cost of transportation forces low-income families to limit spending for other basic needs, including out-of-pocket health care expenses and nutritious food.⁸ On the other hand, accessible and affordable transportation options can mean the difference between isolation and access to quality health care.

Because a very small percentage of Federal funds has been used for affordable public transportation and for active transportation (*i.e.*, walking, biking) opportunities, people without access to cars have been isolated from opportunities and services—including access to health care providers. By under-investing in walkable communities, rapid bus transit, rail, and bicycle-friendly roads, our policies contribute to high concentrations of poor air quality, asthma,⁹ pedestrian fatalities, and obe-

tration. The Act would also require FTA to establish national and regional councils to identify skill gaps and create programs to train an array of employees, including mechanics, managers, and paratransit providers.

⁷Currently, the program only applies to Federal Highway Administration-funded projects. (<http://www.fhwa.dot.gov/ojtss.htm>) States can use On-The-Job funds to provide services such as: preemployment counseling; orientation to the expectations and requirements of the highway construction industry; basic skills improvement; support for contractor recruiting, counseling, or remedial training. Funds can also be used for job site mentoring and postgraduate monitoring.

⁸Low- and moderate-income households spend 42 percent of their total annual income that on transportation, including those who live in rural areas, as compared to middle-income households, who spend less than 22 percent of their annual income on transportation. Bureau of Transportation Statistics, Consumer expenditure Survey, 2000.

⁹Higher percentages of African Americans and Latinos compared with Whites live in areas with substandard air quality. Minority children disproportionately suffer from asthma; among Puerto Rican children, the rate is 20 percent and among African American youngsters, the rate

sity in urban areas. All of these public health risks have disproportionately affected low-income people and people of color. The report of The Leadership Conference Education Fund, “The Road to Health Care Parity: Transportation and Access to Health Care”, examines the key roles transportation and mobility play in access to affordable, quality health care and the health disparities created by inadequate access to transportation.

Civil Rights Compliance and Enforcement

Effective and equitable transportation projects are essential to the well-being of transit-dependent communities by providing access to employment, affordable housing, education, and health care. Our next transportation bill should ensure vigorous enforcement of existing civil rights legislation and pursue improved civil rights protections in Federal statutes covering recipients of public funds. The bill should strengthen administrative enforcement of Title VI of the Civil Rights Act of 1964 by providing additional funding for enhanced monitoring, technical assistance, and enforcement activities. The need for enforcement is acutely felt in public transportation, where billions of dollars in investments are at stake, and the most disadvantaged communities sustain a disproportionate share of transportation-related burdens inhibiting their access to affordable, accessible, and reliable transit.

The Leadership Conference on Civil and Human Rights recommends that the surface transportation reauthorization:

- Expand resources to strengthen enforcement of civil rights provisions to ensure that recipients of Federal funds meet nondiscrimination requirements. One cause of the current accountability gap is a shortage of Federal workers to administer existing civil rights provisions. The bill should direct more resources toward compliance reviews, technical assistance, and investigation of Title VI complaints, including complaints related to discriminatory language barriers in transportation services.¹⁰
- Maintain the Transportation Equity Research Program, which funds research projects to understand the impact of transportation planning, investment, and operations on low-income, minority, and transit-dependent populations.¹¹
- Conduct an equal opportunity assessment to collect and evaluate existing demographic data reported by DOT fund recipients that would help Federal, local, and State transportation officials to avoid the lapses in civil rights safeguards in the construction and operation of federally funded transportation projects.
- Restore the right of private individuals and entities to pursue legal enforcement of DOT’s Title VI antidiscrimination regulations as a means of ensuring nondiscrimination in transportation when Federal enforcement fails. This will give local communities a tool to redress existing transportation disparities while ensuring inclusive treatment and equitable outcomes in future investments.

There is much at stake for the civil and human rights community in the next Federal transportation bill. As Congress considers how best to rebuild and repair our Nation’s roads, bridges, railways, and ports, and where and how to prioritize investments in public transportation and pedestrian and bicycle access, it’s vital that the needs of communities of color, low-income people, people with disabilities, seniors, and the rural poor are considered.

Thank you for your leadership on this important issue.

is 13 percent, compared with the national childhood average of 8 percent. The *New York Times*, “For Minority Kids, No Room to Breathe”, Aug. 29, 2007, <http://www.nytimes.com/ref/health/healthguide/esn-asthmachildren-ess.html>. People living within 300 meters of major highways are more likely to have leukemia and cardiovascular disease. Bullard, R.D. *Environmental Justice in the Twenty-first Century. The Quest for Environmental Justice*. Sierra Club Books. San Francisco, CA (2005).

¹⁰ Pursuant to Executive Order 13166 requires each Federal agency must examine the services it provides and develop and implement a system by which Limited English Proficiency persons can meaningfully access those services.

¹¹ The Transportation Equity Research Program has funded at least six projects addressing research needs in a range of communities, e.g., research on the impact of transportation investments and land-use policies on the ability of innercity Detroit residents to access jobs and essential nonwork activities.

STATEMENT SUBMITTED BY MULTIPLE GROUPS

Submitted by: *Alliance for Biking and Walking, Alternatives for Community & Environment, Amalgamated Transit Union, America Bikes, America Walks, Apollo Alliance, Association of Programs for Rural Independent Living, Campaign for Community Change, Center for Rural Strategies, Change to Win, CLASP, Kirwan Institute for the Study of Race and Ethnicity, Local Initiatives Support Corporation, NAACP, NAACP Legal Defense and Educational Fund, Inc., National Association of County and City Health Officials, National Coalition for Asian Pacific American Community Development, National Complete Streets Coalition, National Council of La Raza, National Housing Conference, National Housing Trust, National Low Income Housing Coalition, Partnership for Working Families, PolicyLink, Poverty & Race Research Action Council, Public Advocates, Reconnecting America, Safe Routes to School National Partnership, The Leadership Conference on Civil and Human Rights, The National Alliance of Community Economic Development Associations, Transit Riders for Public Transportation, Transport Workers Union of America, AFL-CIO, Trust for America's Health, Wider Opportunities for Women, and the William C. Velasquez Institute.*

We appreciate the opportunity to submit this statement for the record to express our priorities for the surface transportation reauthorization.

Transportation is a critical link to opportunity—connecting us to jobs, schools, housing, health care, and grocery stores. However, our inadequate, outdated, and underfunded transportation systems are keeping too many Americans from fully connecting and contributing to the national economy.

Transportation Inequity in America

1. In America, millions of Americans live in communities where quality transportation options are unreliable or nonexistent.

- Nearly two-thirds of all residents in small towns and rural communities have few if any transportation options: 41 percent have no access to transit; and another 25 percent live in areas with below-average transit services.¹
- Fifty percent of older people who do not drive in the United States stay home on a given day because they lack transportation options.²
- Nearly one in five Americans faces a physical challenge that impacts their ability to travel for their daily needs (*i.e.*, use of wheelchair or diminished vision, hearing, or physical movement).³
- Nearly 20 percent of African American households, 14 percent of Latino households, and 13 percent of Asian households live without a car.⁴
- Nearly 19 million working age adults, 9.4 percent of those ages 16–64, have limited proficiency in English, which leaves them unable to communicate effectively with transit operators or read information about public transportation routes.⁵
- In the last year, more than 80 percent of the Nation's transit systems are proposing to or already have eliminated transit routes, cut service hours, increased fares, or a combination of all of these.⁶

2. In the midst of these challenging economic times, the transportation options for many Americans are becoming less and less affordable.

- Transportation is the second largest expense, after housing, for households in the United States, surpassing food, clothing, and health care costs.⁷
- Low- and moderate-income households spend 42 percent of their total annual income on transportation, including those who live in rural areas, as compared to middle-income households, who spend less than 22 percent of their annual income on transportation.⁸

¹ American Public Transportation Association.

² Surface Transportation Policy Project.

³ U.S. Census Bureau, 2005.

⁴ Brookings Institution and UC-Berkeley, Socioeconomic Differences in Household Automobile Ownership Rates.

⁵ U.S. Census Bureau, American Community Survey, Public Use Microdata Sample, 3-Year Estimates 2007–2009.

⁶ American Public Transportation Association.

⁷ National Complete Streets Coalition.

⁸ Bureau of Transportation Statistics, Consumer Expenditure Survey 2000.

3. *All Americans are not sharing the economic benefits of our transportation investments.*

- While transportation represents a significant sector of our workforce—one in 10 civilian jobs is transportation-related—women, communities of color, and low-income people are not significant beneficiaries of the jobs and contracting opportunities in the industry.
- Of the roughly 8 million people employed in the construction of roads, bridges, and transit facilities in 2008, only 6 percent were African American and 2.5 percent were women, a much smaller proportion than their representation in the overall economy.⁹
- Latinos often occupy the lowest-wage jobs in the transportation and construction sectors, such as laborers, where 43.1 percent of workers are Latino.¹⁰

4. *The safety of our roads, bridges, sidewalks, and transit is a significant concern.*

- In many neighborhoods, disconnected roadway networks, poorly designed and deteriorated streets, inadequate lighting, limited sidewalks, and minimal traffic enforcement place residents at higher risk of injury. These risks are particularly acute for communities of color—Hispanics suffer a pedestrian death rate that is 62 percent higher than non-Hispanic whites, and African Americans suffer a pedestrian death rate that is almost 70 percent than non-Hispanic whites.¹¹

It does not have to be this way. The next surface transportation authorization is our chance to reform transportation policy to lay a strong foundation for future economic growth and expand opportunity for millions of people.

Recommendations for the Transportation Authorization

1. *Preserve and expand existing programs that fund essential transportation options—bicycling, walking, and public transportation, and provide flexibility to use Federal funds for transit operating assistance.* Funding for biking, walking, and public transportation infrastructure puts people to work; provides safe, low-cost transportation choices; reduces dependency on oil; and leverages private investment. For every \$1 invested in public transportation, \$4 in economic returns is generated.¹² Transit operating assistance, which will allow transit operators to maintain service in these fiscally tough times, is vital to ensuring that Americans can benefit from the mobility and choice provided by safe, accessible, affordable transit and also that businesses can reap the economic rewards associated with bicycling, walking, and transit investments. These investments are a lifeline for people who depend on these transportation options, including people with disabilities, older adults, people in rural areas, and low-income households.

2. *Reform the transportation planning process to be outcome-oriented, with equity-focused performance objectives.* States and regions should develop strategic, performance-driven plans that expand opportunity and benefit economically distressed populations. Performance-based objectives should include: improved access to jobs for low-income individuals; reduced per capita transportation user costs for low-income individuals; and safer environments for bicycling and walking. Such plans, when created through a robust public engagement process, would foster greater accountability and transparency. In addition, technical assistance and demonstration grants, administered by the Secretary of Transportation, would help to build capacity for States and regions to engage in the reformed transportation planning process. In particular, economically distressed communities that typically lack the benefits of the transportation system could leverage these resources to plan for enhancements of the transportation system to ensure that projects that are critical to the mobility of vulnerable residents are prioritized during the transportation planning process.

3. *Expand access to transportation jobs for the chronically unemployed, lower-income people, women, and communities of color.* This can be accomplished through smart, strategic investments in our workforce. Establishing a construction careers

⁹Bureau of Labor Statistics 2008.

¹⁰U.S. Bureau of Labor Statistics, Current Population Survey, 2010 Annual Averages, <ftp://ftp.bls.gov/pub/special.requests/lf/aat18.txt> (accessed March 30, 2011).

¹¹Federal Highways Administration's Pedestrian and Bicyclists Safety Research program, 2004.

¹²American Public Transportation Association.

workforce development program¹³ would help the chronically unemployed, low-income, and other disadvantaged workers have better access to construction employment in the transportation sector. Additionally, expanding the existing On the Job Training Program¹⁴ to transit, railways, and all other surface transportation modes at the United States Department of Transportation (USDOT) would provide resources for apprenticeship and training programs targeted to move women, people of color, and other disadvantaged individuals into transportation jobs and increase the workforce available to efficiently complete transportation projects. The next surface transportation bill should also include a Transportation Job Corps, which would create a career-ladder grant program within the Federal Transit Administration at the USDOT to help existing workers retain jobs in the public transportation industry, while also recruiting and preparing young adults from low-income communities and communities of color, who are underrepresented in jobs in the transit sector.

4. *Reform transportation funding mechanisms to reward projects that lower the housing and transportation costs of American families.* Encouraging development around transit stations has the potential to significantly reduce the out of pocket transportation expenses for rural, suburban, and urban households. To this end, it is necessary to: preserve the New Starts and Small Starts programs and enhance them to prioritize preservation and creation of affordable housing proximate to regional employment centers; provide credit assistance to communities to accelerate construction of locally funded transportation projects and local infrastructure that supports affordable housing; and offer Station Area Planning Grants to States, regions, and local communities that support community development efforts that revitalize economically distressed areas and expand and/or preserve affordable housing near public transportation, quality schools, and job centers.

5. *Strengthen enforcement of existing civil rights provisions.* Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color, or national origin, is an important tool for increasing fairness and accountability in the transportation system. Recipients and sub-recipients of Federal transportation funds must comply with Title VI. However, recent investigations¹⁵ at the USDOT have documented the broad failure of many State highway departments to implement basic antidiscrimination provisions. These findings illustrate the need for: dedicated resources to ensure that recipients of Federal funds meet nondiscrimination requirements, including addressing complaints related to discriminatory language barriers in transportation;¹⁶ maintaining the Transportation Equity Research Program, which provides valuable research for State Departments of Transportation and other transportation agencies for assessing the impact of their proposals on low-income households, communities of color, and transit-dependent populations;¹⁷ and implementation of an Equal Opportunity Assessment to collect and evaluate key information every 4 years, to aid USDOT, Federal, local, and State transportation officials in upholding civil rights safeguards and promoting more equitable transportation investment.

Americans Believe That Investment in Transportation Is a National Priority

A 2011 poll¹⁸ commissioned by the Rockefeller Foundation includes several key findings that demonstrate Americans' support for reform of and investment in our Nation's transportation system:

¹³ A similar proposal was included in HR 2454: American Clean Energy and Security Act and HR 4929: Enhancing Opportunities for Main Street Act of 2010.

¹⁴ This program currently exists at the USDOT, but it is limited to projects funded by Federal highway dollars.

¹⁵ Results of a 2010 Office of the Inspector General report on the U.S. DOT's Federal Highway Administration: OSC File #10-44-DI-09-0965, available at <http://www.osc.gov/FYpercent202010percent20A.html>.

¹⁶ Executive Order 13166 requires each Federal agency to examine the services it provides and develop and implement a system by which Limited English Proficiency persons can meaningfully access those services.

¹⁷ The Transportation Equity Research Program has funded six projects addressing research needs in a range of communities, e.g., research on the impact of transportation investments and land-use policies on the ability of inner-city Detroit residents to access jobs and essential non-work activities.

¹⁸ Survey Methodology: From January 29 to February 6, 2011, Hart Research (D) and Public Opinion Strategies (R) conducted a national survey of voters on behalf of the Rockefeller Foundation. The firms interviewed 1,001 registered voters, including 200 voters who have only a cell phone. The data's margin of error is +/-3.1 percentage points for the full sample, and higher for subgroups of the sample.

- *Two out of three voters say that improving the country's transportation infrastructure is highly important.* Nearly half of all voters said that roads are often or totally inadequate and that only some public transportation options exist.
- *Eighty percent of voters agree that Federal funding to improve and modernize transportation will boost local economies and create millions of jobs, and view it as critical to keeping the United States as the world's top economic super-power.*
- *A vast majority, 80 percent of Americans, believe the country would benefit from an expanded and improved public transportation system and 57 percent believe that "safer streets for our communities and children" should be one of the top two priorities, if more money is to be invested in infrastructure.*
- *Americans want changes in the way the Federal Government invests in infrastructure and makes policy.* Ninety percent support more accountability and certification that projects are delivered on time and fit into a national plan. Ninety percent also support allowing local regions greater say in how transportation dollars are used in their area.
- *71 percent of voters think leaders in Washington should seek common ground on legislation related to roads, bridges, and transit systems, including 66 percent of Tea Party supporters and 71 percent of Republicans.* More than any other issue tested, American voters would like to see compromise on legislation related to transportation and infrastructure.

Americans are ready to get back to work building our Nation's future. Americans are also ready for a reformed transportation investment that is accountable, just, fair, and equitable—a system that connects them to opportunities to participate and prosper in our Nation's economy.

We urge the Senate Committee on Banking, Housing, and Urban Affairs to work with the Senate Committee on Environment and Public Works Committee to advance a robust transportation bill that helps to move us toward that vision, and to this end, we stand ready to work with you.