

21ST CENTURY COMMUNITIES: PUBLIC TRANSPORTATION INFRASTRUCTURE INVESTMENT AND FAST ACT REAUTHORIZATION

HEARING
BEFORE THE
COMMITTEE ON
BANKING, HOUSING, AND URBAN AFFAIRS
UNITED STATES SENATE
ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

ON

EXAMINING PUBLIC TRANSIT AND INFRASTRUCTURE INVESTMENT TO CREATE GROWTH IN OUR COMMUNITIES, TO LOWER PEOPLE'S TRANSPORTATION COSTS, AND TO CREATE GOOD-PAYING JOBS

APRIL 15, 2021

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THURSDAY, APRIL 15, 2021

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

The Committee met at 10 a.m., via Webex, Hon. Sherrod Brown,
Chairman of the Committee, presiding.

OPENING STATEMENT OF CHAIRMAN SHERROD BROWN

Chairman BROWN. The Senate Committee on Banking, Housing,
and Urban Affairs will come to order. Thank you for joining us.
Thank you for your promptness.

This hearing is in the virtual format. A few reminders as we
begin.

Once you start speaking, there will be a slight delay before you
are displayed on the screen. To minimize background noise, please
click the mute button until it is your turn to speak or ask ques-
tions.

You should all have one box on your screens labeled "Clock" that
will show you how much time is remaining. For witnesses, you will
have 5 minutes for your opening statements. For all Senators, the
5-minute clock still applies for your questions.

At 30 seconds remaining for your statements and questions, you
will hear a bell ring to remind you your time has almost expired.
It will ring again when your time has expired.

If there is a technology issue, we will move to the next witness
or Senator until it is resolved. To simplify the speaking order proc-
ess, Senator Toomey and I have agreed to go by seniority for this
hearing.

Before my opening remarks, I wanted to thank the Ranking
Member. Senator Toomey joined me on the floor yesterday with five
others of our colleagues to join in the annual reading of Dr. King's
letter from the Birmingham Jail in 1963, and we split it up in
seven segments and read it. And Pat read the closing part of the
letter, and it was inspiring for all of us just to read those words
again, which seemed just as relevant today as they did in 1963,
written by a real genius of American history, a beautiful writer and
an incredible thinker and moral force. So, Pat, I just wanted to
publicly say thank you for joining us and doing that.

Senator TOOMEY. Thank you, and, Mr. Chairman, thanks for organizing it and leading the effort.

Chairman BROWN. Thanks, Pat.

Shortly before the pandemic, Chairman Crapo and our Committee held a well-attended hearing on the reauthorization of Federal transit programs. We are picking back up on those efforts. I hope to work with Ranking Member Toomey and all of the Members of our Committee to advance a surface transportation bill and tackle other infrastructure investment that we need to create economic growth in all communities.

Public transportation helps people get to work and school and to doctors' appointments and the grocery store and to spend less of their time and hard-earned money commuting.

When we say public transportation, of course, we just do not mean big-city subways. This Committee understands that public transportation plays a critical role in pretty much every community in our country—in rural areas and small towns like Mansfield and Xenia and Chillicothe in my State, and in mid-sized cities like Dayton and cities that Pat represents, as I do, in old industrial towns, on the coasts and in the heartland.

During the pandemic, essential workers have relied on public transportation to reach their jobs at pharmacies and hospitals and supermarkets. Transit now is a lifeline to vaccination centers.

And when more Americans return to offices and schools, all of the problems facing our transportation systems will come roaring back.

We know the cost of transportation is a huge drain on families' budgets and on their time. If a bus or train does not run, Americans who do not have the option to work from home lose out on hours and the paychecks that come with them. Sometimes they even lose their jobs.

An unexpected car repair or a car accident can devastate families who rely on their cars to get to work—especially when we recognize that 40 percent of Americans do not have the money to cover a \$400 emergency expense.

We know who gets hurt the most when transit is not a reliable option. It is the Black and Brown neighborhoods who have been historically cutoff from job centers. It is women working at essential jobs. It is rural areas where walking is not even an option.

For our Nation's seniors, particularly in our suburbs and rural communities, a van or bus from the local transit service is a lifeline to the doctor or the grocery store or church.

A taxi or an Uber may work for some. But in my State, as in many others, that is often not a reliable option outside of our larger cities. It is usually not an affordable option, and the rideshare model is denying millions of workers protections on the job and benefits like health care.

We can do better than that.

All Americans should have high-quality, frequent transit service that saves them time and money.

The solution is pretty simple. When you have better, faster transit service, more people use it.

Public transit will help restore and grow our economy as we emerge from the pandemic. Good transit attracts good jobs.

The Cincinnati USA Regional Chamber understands that. It led the business community's support of a historic ballot measure to invest in the Cincinnati Metro. And congratulations, Darryl, it passed last May.

We see this in cities across the country—business and civic leaders coming together to support transit as a tool for growth and inclusion.

Whether it is the business community in Columbus or Charlotte in Senator Tillis' State or Atlanta in Senators Ossoff and Warnock's State, we witness an emerging consensus that a vibrant, fully functioning transit system is essential to attract investment and create communities where people want to live and to work.

And, of course, public transit remains one of our best tools to fight climate change. When more people take public transit, we get less traffic on the roads and we, of course, get lower emissions.

We need to seize new opportunities to get the next generation of buses and rail cars into our communities and support American manufacturing.

That means expanding the Low- or No-Emission Vehicle Program. Transit agencies save money in the long run by adopting more efficient vehicles, and with Buy America requirements, we can create a significant number of manufacturing jobs building those buses in the U.S.

One Member of our Committee is particularly interested in that: Senator Smith.

Running more efficient buses and supporting American industry is something I hope we can all agree on. Our Committee has worked on a bipartisan basis to reject efforts by Chinese Government-backed companies to infiltrate the transit industry and instead support the deployment of advanced, American-made zero-emission buses.

Fixing deteriorated infrastructure and replacing old rail cars can make transit more efficient. Riders in places like Cleveland and Boston and the Ranking Member's Philadelphia face delays when old tracks and outdated rail cars slow our transit system and cause longer commutes. And those repairs, of course, are done generally—by always well qualified general union workforces doing jobs that cannot be shipped overseas.

In Cleveland, the RTA operates a fleet of 74 rail cars. All of them—all of them—are more than 35 years old.

America's transit workforce is ready for this job. Transit workers made enormous sacrifices during the pandemic. As Mr. Samuelsen so well knows, more than 350 transit workers have died from the virus, many from communities like New York that experienced horrible rates of infection in the early stages of the pandemic. The transit workforce, like other frontline workers, kept our Nation functioning.

We need to listen to the voices of transit workers to offer better, safer service in the years ahead. We need to partner with the transit workforce as agencies consider adopting new technology and automation.

Technology should be used to make transit service safer, but there is no substitute for a well-trained bus operator to help riders and keep them safe, particularly passengers with disabilities. We

should never outsource critical safety functions and never outsource essential services.

These are all critical national issues, and we need to take a leading role and solve big problems.

The American Jobs Plan is bold, it is necessary, it is how we finally seize opportunities instead of running from them. It would put people to work. It would invest in the places that have been left on their own by Washington and Wall Street for too long.

I look forward to hearing from Committee Members and witnesses about how we can build this infrastructure. I know that together we will delve into other transit subjects on this Committee in the weeks and months ahead.

We can—we must—revitalize public transit and infrastructure to create growth in our communities, to lower people’s transportation costs, and to create good-paying jobs.

Senator Toomey.

OPENING STATEMENT OF SENATOR PATRICK J. TOOMEY

Senator TOOMEY. Thank you, Chairman Brown.

COVID obviously was an extraordinary experience, an extraordinary crisis, and Congress responded to it in an extraordinary way. Over the course of 2020, Congress provided almost \$4 trillion in COVID and economic relief through five overwhelmingly bipartisan bills. As part of those bills, we gave \$40 billion to transit on top of the \$12 billion that we annually and ordinarily spend on transit.

Last month, our Democratic colleagues broke from the bipartisan approach we had maintained in dealing with this crisis, and they passed a very wasteful and partisan \$1.9 trillion spending bill, which among its many provisions one was an additional \$30 billion for transit.

So just to recap, in 2020, Congress provided \$12 billion in annual transit funding; then we spent another \$40 billion in COVID relief transit funding, and then last month passed another bill with yet another \$30 billion for transit. That is a total of \$82 billion passed over the course of a year.

So by way of context, one might ask: What is the annual cost of operating all of the transit agencies in the entire United States of America combined? Well, in 2019, that was \$54 billion. And yet we sent \$82 billion in 1 year. If you add in the transit agencies’ capital expenses to their annual operating costs, it is still less than \$82 billion. It is staggering how much we have just spent.

Now, our colleagues will justify this spending by saying that, well, transit systems would collapse from declines in ridership and State and local government revenues. But ridership did not drop to zero, and ridership has increased since the worst days of the pandemic. It has increased significantly. And these systems are, after all, by definition local. They serve a city or maybe a metropolitan area. But they are not national in scope. Should the local jurisdictions and the States in which they operate, should they have any responsibility at all to contribute to the costs of these systems? Evidently not, when the Federal Government is sending more money than it costs to operate them. And that is despite the fact that in 2020 State and local tax collections set an all-time record high. We

did not think that was going to be the case early in the year, but that is exactly what ended up happening. And that is separate from the \$500 billion the Federal Government sent to State and local governments over the course of 2020.

And then last month, our Democratic colleagues insisted on yet another \$350 billion on top of all that. It just boggles the mind.

Now, to add insult to injury here, we send all these billions of dollars to transit agencies without requiring any kind of reforms to be implemented. And let us face it, the financial woes of many big-city transit agencies long pre-date COVID, and they are tied to chronic financial mismanagement.

Take, for example, New York City's MTA, the country's largest transit agency. It has been mismanaged for years. It has had huge mounting debts. Its long-term debt tripled from the year 2000 to 2019, to over \$35 billion now. And since 2014, it has had \$7 billion in questionable and suspicious overtime expenses.

Well, back in February, just this past February, the MTA was finally close to making some reforms to address its chronic problems. But then our Democratic colleagues threw a tremendous amount of money at them, and lo and behold, the proposed reforms went out the window. They have not been fixed. They have just been kicked down the road, courtesy of the U.S. Federal taxpayer.

Now the Biden administration comes along and it wants another \$85 billion for transit as part of this huge, enormous, new welfare and infrastructure bill.

Now, here is a way to think about just how excessive all of this is. If we were to pass this bill that President Biden has requested and if we do the ordinary funding extension that is being contemplated here at this hearing and we combined that with the \$82 billion we have provided over the last year, all of that money is enough that, according to 2019 census data, we could buy every transit commuter in America a \$30,000 car. That is how much we are spending in the course of just a few years.

So, Mr. Chairman, I am glad we are having this hearing on FAST Act reauthorization, because this is what we should be talking about, how we reform our existing transit funding system, rather than how we pile on yet another \$85 billion on top of the \$82 billion we just spent. And as we work on this reform, I think we should be guided by some sensible principles that will protect taxpayer dollars from misuse. It should include prioritizing and maintaining the existing systems rather than expanding systems with the hope that there will someday be demand. We ought to be ensuring that State and local governments pay their fair share and that they are accountable. We ought to remove useless and unnecessary regulations that delay projects and increase costs. We should be reforming planning requirements that otherwise lock local governments into rigid, long-term system expansions. We ought to be paying for infrastructure improvements responsibly, including addressing the insolvency of the Highway Trust Fund. And we should limit transit's share of the Highway Trust Fund to the longstanding level of 20 percent.

Importantly, we also need to ask a tough question, which is: Does every mass transit system in America make sense at its current scale given the circumstances we have now?

Today we will hear from two witnesses about how we can take a more thoughtful approach to funding transit than just throwing still more money at it. Baruch Feigenbaum is a transportation expert at the Reason Foundation. He will testify that transit systems and lawmakers really need to adjust to the shifting work and transportation trends that have been accelerated by the COVID pandemic.

We will also hear from David Ditch, a budget and transportation expert at the Heritage Foundation. He will testify that the transit funding in the recent spending bills bailed out chronically mis-managed big-city transit agencies.

Mr. Chairman, this year Congress I think should come together and responsibly reauthorize the FAST Act and in the process reduce wasteful, outdated, and duplicative spending. I hope my Democratic colleagues will follow that path of cooperation rather than just focusing on another partisan bill that wastes billions and billions of taxpayer dollars without making necessary reforms.

Thank you.

Chairman BROWN. Thank you, Ranking Member Toomey.

I will now introduce today's witnesses.

Darryl Haley is the CEO and general manager in the Southwest Ohio Regional Transit Authority in Cincinnati, known as "Metro," which provides about 14 million rides per year on fixed-route and paratransit buses. The Cincinnati native has held leadership positions there since 2006. Welcome, Mr. Haley. We appreciate your perspective as a leader who puts service on the street every day and wants to offer better transit across his region to connect more of your customers with better jobs.

Mr. John Samuelsen is the international president of the Transport Workers Union, TWU, a position he has held since 2017. TWU represents 150,000 members in transit and other sectors. He began his career as a track worker for New York City Transit, later became head of New York's TWU Local 100, the Nation's largest local transit union.

Beth Osborne is the director of Transportation for America, a nonprofit advocacy group. Ms. Osborne previously was Deputy Assistant Secretary for Policy at U.S. DOT in the Obama administration. She has held various other transportation policy roles in her career, including in the office of our colleague Senator Carper. Welcome, Ms. Osborne.

Baruch Feigenbaum is the senior managing director of transportation policy at the Reason Foundation, a think tank with offices in L.A. and Washington. Mr. Feigenbaum has spent his career in transportation planning and research. He has also served as a Legislative Assistant on Capitol Hill. Welcome, Mr. Feigenbaum.

And last but not least, of course, Mr. David Ditch is a budget and transportation associate at the Heritage Foundation. He previously worked in the Senate for the Budget and Small Business Committees as well as for several House Members. Welcome, Mr. Ditch.

Mr. Haley, you begin. Thank you, sir.

**STATEMENT OF DARRYL HALEY, CHIEF EXECUTIVE OFFICER
AND GENERAL MANAGER, SOUTHWEST OHIO REGIONAL
TRANSIT AUTHORITY/METRO**

Mr. HALEY. Chairman Brown, Ranking Member Toomey, and Members of the Committee, thank you for the opportunity to testify today on Public Transportation Infrastructure Investment and FAST Act Reauthorization.

My name is Darryl Haley. I am the CEO and general manager of the Southwest Ohio Regional Transit Authority. We are the public transport agency serving Hamilton County, including greater Cincinnati as well as commuter service from Butler, Clermont County, and Warren counties. I would like to share with the Committee some of the issues that are critical to our agency and the broader industry as you consider policies related to surface transportation reauthorization.

SORTA operates 46 major fixed-route buses and a demand-responsive paratransit service, making approximately 14 million passenger trips annually. We are excited about the future of transit in our region due to the historic support we recently received from the citizens of Hamilton County. Last May, in the midst of a global pandemic, they voiced their significant support of public transportation by approving a sales tax levy of 0.8 percent to fund Metro and transit-related infrastructure improvements. SORTA is now bringing to life its Reinventing Metro plan, which will offer the greater Cincinnati region bold new transit innovations that will help grow the regional economy and better connect our community to jobs, education, and health care. Reinventing Metro will deliver enhanced amenities for our riders such as new buses, free onboard WiFi, as well as significant service improvements. This means more frequent service, 24-hour service on some of our major routes, and two new bus rapid transit corridors, more suburban job connectivity with mobile demand-response services, and more.

In the next 5 years, the plan will deliver job access improvements that will drive economic growth across all of Hamilton County by making 20,000 more jobs accessible by Metro, 740 more employers accessible by Metro, and \$850 million in total wages accessible by Metro.

Of course, in the midst of all this excitement about the future of public transit in our region, COVID-19 has devastated many of our communities. I would like to thank each of you for your leadership in supporting transit during this pandemic. The COVID-19 relief packages have been critical to ensuring our ability to keep our doors open and maintaining staffing levels throughout the pandemic and avoid any layoffs. Because our employees have remained on the front line, other members of the community have had the ability to go to work, to school, to the doctor, to the grocery store, and other essential activities.

Thanks to the funding provided by the CARES Act, SORTA has been able to provide PPE for our employees, as well as our passengers, and install plexiglass barriers on each of our vehicles. This year has not been easy, but I am proud to say that SORTA has worked hard each and every day to serve the community and to continue looking forward to the future.

Prior to COVID-19, we had increased our ridership 4.3 percent in the first quarter. Today ridership is down about 50 percent due to COVID, and we have incurred related cost increases that forced a delay to the rollout of our Reinventing Metro Plan from 2020 to 2021. Given the current circumstances, as you consider reauthorization of the FAST Act, there are a few policy recommendations I would like to make.

First, I am pleased to see President Biden's extraordinary commitment to public transit included in his transformational America Jobs Plan and within his fiscal year 2022 budget request. His call for new funding to modernize existing public transportation and for transit expansion aligns with the work we are doing here at SORTA. I believe this forward-thinking proposal along with the top three policy recommendations presented by our the American Public Transportation Association would provide the investment that are necessary to build a 21st century transportation system that our country desperately needs. These are premised on erasing the infrastructure deficit, rebuilding and expanding our public transportation systems to best meet the needs of today's commuting public and future demands, and enhancing our Nation's economic competitiveness.

APTA calls for a total Federal investment of \$178 billion over 6 years for public transit and passenger rail. If enacted, this investment will create or sustain more than 2 million jobs.

The first priority is Highway Trust Fund solvency and long-term increased investment. Specifically, we are calling for Federal investment of \$145 billion over 6 years to fund critical projects that will repair, maintain, and improve our public transit systems today and in the future.

The second priority is reestablishing a 40-40-20 capital investment ratio among the CIG, State of Good Repair, and Buses and Bus Facilities program. Recent authorization acts have not maintained that ratio, and as a result, the Buses and Bus Facility programs have received less funding.

Third, a new Mobility Innovation and Technology Initiative to introduce cutting-edge technologies and integrate new service development approaches and mobility options in the transit marketplace by transit agencies across the country. We are using technology to ensure greater reliability and expand service and improve customers' experiences.

In addition, SORTA supports significant funding increases for such programs as Bus, Bus Facility, competitive grants, and low- or no-emission competitive grants which can support zero emission infrastructure.

Thank you for your consideration, and I look forward to answering any questions.

Chairman BROWN. Mr. Haley, thank you. There is a website called "Room Rater," which rates on a 1-to-10 scale what the background looks like when you are in this all-Zoom world, and I think Room Rater would give you a 10 out of 10 for the transit bus background. So thank you for that. Mr. Samuelson is recognized for 5 minutes.

STATEMENT OF JOHN SAMUELSEN, INTERNATIONAL PRESIDENT, TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

Mr. SAMUELSEN. Thank you, Chairman Brown and Ranking Member Toomey, for inviting me here to testify today. I speak on behalf of over 150,000 members of the Transport Workers Union who work in public transit, airlines, railroads, bikeshare, school and tour buses, utilities, and the service sector. I started my career on the New York City subway tracks 28 years ago in Brooklyn, and I am still an active track work on that roster with Local 100 in New York. I am here to join the call for significant investments in public transit and good union jobs.

It has been a long year. COVID-19 delivered a body blow to both transit workers and the systems we operate and maintain. Front-line workers have been absolutely decimated. The TWU alone has lost over 170 members to this virus and over 10,000 of us were quarantined due to exposure. More than 350 transit workers across America have died from the virus, but Federal support made a big difference. The American Rescue Plan and coronavirus aid truly saved our transportation industries.

As our country looks beyond the pandemic, I hope you will fight to dramatically reshape transportation as outlined in the President's American Jobs Plan and the Moving Forward Act which passed the House last year.

One of the big challenges public transit workers face is new technology, including zero-emission vehicles, automated vehicles, and shared mobility. We need to help transit systems and workers prepare for the technological changes that are rapidly approaching, if not here already.

The TWU believes new transportation technology should meet four key principles. These principles should guide action on any implementation of new technology. The principles are:

Number one, as new technologies arise, we must prioritize a just transition for career transport workers.

Second, any technology utilized should be safe and secure for both riders and workers.

Third, implementation planning must be open and transparent with the workforce involved.

Last, we need strong privacy and cybersecurity standards.

This week, the labor movement issued our principles on one of these new technologies: vehicle electrification. We are calling for strong Federal leadership to move manufacturers, State and local governments, transit agencies, and workforce development toward buying, operating, and developing hybrid and zero-emission vehicles and infrastructure with a pro-worker focus. Congress should join us and embrace these principles.

The reauthorization bill also needs to focus on training workers who could lose jobs because of zero-emission vehicles and other technology. Electric engines are dramatically different from diesel engines, and transit mechanics need to be prepared for that change. We strongly support creating and funding a national transit frontline workforce training consortium to train frontline workers for the future. And I urge you to stop the dangerous deployment of fully autonomous transit vehicles. We cannot allow robot-controlled buses with passengers to barrel down crowded American

streets at rush hour. Every bus needs a human operator onboard to preserve passenger safety and security. The Moving Forward Act directly addresses these concerns, and we hope that the Senate bill will include that language as well.

I would also like to raise concerns about rideshare companies, which are attempting to get transit funding. Companies like Uber have long avoided public transit rules on drug and alcohol testing, transit labor protections, and accessibility requirements. We cannot allow rideshare companies to get Federal funding when they lower essential safety, equity, and labor standards. Their goal is first and foremost to make a profit, never to deliver high-quality transit service.

We need to invest in bikeshare. We strongly support the funding for the expansion of these systems and applying Buy America and labor protections to ensure these investments create thousands of quality jobs.

I also urge you to support Senator Van Hollen's Transit Worker and Pedestrian Protection Act. Every single day a transit worker is assaulted in this country. The Van Hollen bill will help ensure the FTA uses its leverage to end this onslaught of assaults on bus drivers and transit workers.

And so to wrap up, as we rise out of the pandemic, we need to create jobs and revitalize our cities and our towns. Transit investments are central to creating jobs, accessing health care, getting kids to school, and ensuring safe commutes for our essential workers. Safe and reliable public transit is the gateway back to normalcy for millions of Americans. The time to act is now, to rebuild our manufacturing sector, to train the American workforce, to invest in public transit, and to create and sustain solid blue-collar jobs right here in America.

Thank you.

Chairman BROWN. Thank you, Mr. Samuelson.

Ms. Osborne is recognized for 5 minutes.

**STATEMENT OF BETH OSBORNE, DIRECTOR,
TRANSPORTATION FOR AMERICA**

Ms. OSBORNE. Thank you, Chairman Brown and Ranking Member Toomey, for including me in this important hearing.

I am the director of Transportation for America, a national non-profit committed to a transportation system that connects people to jobs and essential services by all modes of travel no matter their financial means or physical ability. Over the last year, Transportation for America and our partners have been gratified to see Congress support, mostly on a bipartisan basis, emergency transit operating funds. You all kept an essential service in place for essential workers, and the country is better for it.

Now we are starting to talk about getting back to some semblance of normal. As we do so, it is important to state that the transportation system we had before COVID was not what we were looking for in terms of efficiency, safety, affordability, or equity. Part of the recovery can and should be seeking to improve that.

In my statement this morning, I am going to focus on equity. The lack of reliable transit and alternative means of travel in the U.S. means low-income Americans spend close to 30 percent of their

household income on transportation to get where they need to go. The average American spends only 13 percent. And in my neighborhood, in the heart of

Washington, DC, the average household spends 8 to 9 percent of transportation due to the close proximity of destinations, the general walkability, and the access to multiple bus and rail lines.

The lack of access to transit and safe biking or walking routes requires people to stretch financially to buy cars, an expensive asset that loses value the moment you buy it, rather than use that money for education, property, savings, or retirement. We are not just talking about a household that might want to be car-free and cannot. We are talking about a system that requires a household of five to have three to four cars instead of one to two. At \$8,000 a year to operate a car, that is a heavy financial burden indeed, and because of our current system being so car-oriented, it is actually a cover charge required if you want to participate in the U.S. economy in so many parts of the country.

Transit dependence is a problem we associate with urban America, yet according to the latest American Community Survey, the majority of counties with high rates of zero-car households are rural. Rural Americans without cars face unique barriers, and they need and deserve a tailored approach to their transit needs rather than just assuming that they can or will drive everywhere.

Part of recovery is also recognizing that

COVID has caused many to lose work, and people are struggling to pay rent, mortgages, and car payments. As the recovery begins, the number of transit-dependent people who we want to help get back to work will likely be higher, at least temporarily. High-quality transit will be an important part of ensuring that everyone gets back to work and can reach their daily necessities.

To support this goal, there are a few things to consider for transit in the next reauthorization bill and as we consider any sort of stimulus. We need to refocus the Federal transit program to improve transit frequency, reliability, and ridership and expand access to jobs and essential services in both urban and rural areas. Transit projects, like all transportation, should be evaluated based on that, how well it gets people to the things they need.

While we focus almost exclusively on the work trip in transportation, not just transit but all transportation, the work trip accounts for only 20 percent of trips. The nonwork trip is a bigger factor in whether someone needs a car, how many cars, and how much they spend on transportation. Transit and transportation overall needs to be better designed to serve nonwork trips.

Two, we should fund transit operations in addition to capital projects. Long-term Federal support for transit operations—particularly to support greater frequencies, expanded hours, and new service—will help agencies deliver the high-quality, safe, and affordable public transit service in both urban and rural America.

And, last, it is time to rebalance transit funding to match funding for highways. For nearly 40 years, we have stuck to a deal that was made during the Reagan administration in order to raise gas taxes by bringing transit into the surface transportation program. At the time, the gas tax paid for the whole program, something that has not been true in over a decade. To make a highway-level

commitment to providing Americans in large cities, small cities, and rural towns alike, it will require a similar funding commitment.

Communities are constantly changing. COVID has caused even more. It is time that we harness that change to make our transportation system more efficient, affordable, equitable, and accessible for everyone, and transit is key to that goal.

Thank you, and I look forward to your questions.

Chairman BROWN. Thank you, Ms. Osborne.

Mr. Feigenbaum, you are recognized for 5 minutes.

Welcome.

STATEMENT OF BARUCH FEIGENBAUM, SENIOR MANAGING DIRECTOR, TRANSPORTATION POLICY, REASON FOUNDATION

Mr. FEIGENBAUM. Thank you. Chairman Brown, Ranking Member Toomey, and fellow Members, my name is Baruch Feigenbaum. I am the senior managing director for transportation policy at Reason Foundation, a nonprofit think tank with offices in Los Angeles and Washington, DC. For more than four decades, Reason's transportation experts have been advising Federal, State, and local policymakers on market-based approaches to transportation.

I am a graduate of the Georgia Institute of Technology with degrees in public policy and transportation planning with a concentration in engineering. With Reason, I have authored studies on mobility, highway congestion, transit options, funding alternatives, and innovative financing. I currently serve on two National Academy of Sciences Transportation Research Board committees: bus transit systems, where I serve as secretary and conference planning chair, and intelligent transportation systems. My testimony today draws on these experiences.

COVID-19 has dramatically changed many aspects of life. While all aspects of transportation have been impacted, no mode has been affected more than mass transit.

Ridership on rail transit has decreased 70 to 90 percent, while ridership on bus transit has decreased a more modest 40 to 60 percent. Even when COVID-19 subsides, a majority of experts expect transit to recover 90 percent of its riders at most, with some expecting a recovery rate of only 70 percent.

Transit use was on a multiyear decline even before COVID, with only 5 percent of Americans commuting by transit. Yet, according to the Bureau of Transportation Statistics, in a typical year the U.S. spends \$70 billion per year on transit. Transit policy was in need of reform even before COVID, but COVID has made a rethinking of transit critical. Many commuters in our current environment have substituted working at home for transit. In 2020, 35 percent of all Americans worked from home. In a PricewaterhouseCoopers survey, 83 percent of employers and 71 percent of employees say remote work has been a success. Once COVID subsides, many predict the work-at-home share will be 20 to 25 percent.

Due to a combination of COVID and longer-term changes among transit riders, I have the following six recommendations:

One, prioritize service for transit-dependent riders;

Two, prioritize maintenance and operations over capital expenditures;

Three, adjust quantitative metrics in project evaluation;

Four, fund bus rapid transit from the Capital Investments Grants program;

Five, fund transit from the general fund;

And, six, unlock the private market and transit innovation.

Recommendation number one prioritizing service for transit-dependent riders. The increase in the number of employees working at home has reduced transit ridership. There are two types of riders: transit-dependent riders who do not have easy access to a vehicle and transit-choice riders who do. Transit-choice riders work in fields such as engineering or law that are easy to work at home from; whereas, transit-dependent riders are in fields such as nursing or technical support that require being at a specific physical location. Today since most transit ridership is by dependent riders, U.S. policy should focus on serving these riders. And since most of these riders are more likely to use bus over rail, U.S. policy should focus on bus over rail. Over the last 20 years, the largest 30 metro areas have added miles of rail lines, but most of those same metro areas have cut bus service.

Recommendation number two, prioritize maintenance and operations over capital expenditures. Many DOTs have adopted a “fix-it-first” approach for their highways, but many transit agencies are focused on expansion. The local transit agency for the DC area, WMATA, is one example. Rather than focus on rebuilding the existing system, WMATA decided to expand the system, contracting with the Metro Washington Airport Authority to build the Silver Line. We are all familiar with some of the problems, the fires, mechanical breakdowns on the WMATA system, and this system is not alone. Over the next few years, there are going to be 20 light-rail systems that will need major reconstruction, and that does not count the heavy-rail systems in New York City, San Francisco, and Atlanta that also are going to need reconstruction.

Adjusting the quantitative metrics in project evaluation. Currently, projects are rated 50 percent on project justification and 50 percent on local financial commitment. The project justification rankings, mobility improvements, environmental benefits, congestion relief, cost-effectiveness, economic development, and land use, are rated 16.6 percent. I believe that the two most important rankings are cost-effectiveness and the number of passengers that the system is moving. Those two categories should be rated more highly than others.

Funding BRT from the Capital Investment Grant Program. The Capital Investment Grant Program is the largest funding program which includes new starts, small starts, and core capacity projects. Unfortunately, currently only fixed-route bus rapid transit can be funded. However, most of the bus rapid transit that is being built is BRT light or freeway BRT that does not require a dedicated running way. I believe all types of BRT should be able to be funded from the Capital Investment Grant Program.

Funding transit from the general revenue and exploring new and innovative private sector transit options are also important. I would be happy to talk more about these in questioning.

Thank you for the ability to testify.
 Chairman BROWN. Thank you, Mr. Feigenbaum.
 Mr. Ditch is recognized for 5 minutes.

STATEMENT OF DAVID DITCH, RESEARCH ASSOCIATE, GROVER M. HERMANN CENTER FOR THE FEDERAL BUDGET, THE HERITAGE FOUNDATION

Mr. DITCH. Good morning. Thank you for the opportunity to testify today. The views I express in this testimony are my own and should not be construed as representing any official opinion of the Heritage Foundation.

As the Committee begins the important work of drafting the public transportation section of the highway bill reauthorization, it is my hope that Senators will carefully consider how the Federal Government uses hard-earned taxpayer dollars in this area.

Spending from the mass transit account of the Highway Trust Fund is roughly \$10 billion per year, or about 20 percent of annual trust fund spending. It is important for Senators and the public to keep in mind in mind the Highway Trust Fund is primarily fueled by Federal gas tax revenues while no fund revenue comes from transit users. Users—

Chairman BROWN. Mr. Ditch, your audio is uneven. We will work on it. I hate to do this to you. We will start with questions. After my questions, then we will come back and see if your audio can work better. I am really sorry. Is that all right? But you will certainly have an opportunity to give your opening statement. Most of us—I do not think any of us can hear it very well because of technical issues, so we will come back to you right after I begin the questions.

Mr. Haley, I will begin with you. The Cincinnati USA Regional Chamber helped bring together the business and nonprofit community—we were talking about that—to support expansion. The supporters include some of the largest employers well known to everybody on this call, really: Procter & Gamble, Kroger, Cincinnati Children's, known as one of the best hospitals in the country, nonprofit leaders like the Cincinnati Foundation and United Way.

Why did leaders come together? That is beginning to happen more and more around the country. Shed some light on why that happens.

Mr. HALEY. Well, they really recognized that investment in transit was an investment in the economic vitality and competitiveness in our region. And I talked earlier about, you know, the access to more jobs, to higher-paying jobs. And, of course, with those connections to the higher-paying jobs, a decrease in poverty, a decrease in crime, you know, it also makes us more attractive to businesses that are looking for places to land, you know, to start their businesses, to move their businesses. It makes Cincinnati more attractive, and it helps us also to retain talent.

Additionally, the increase in local funding will unlock the ability for us to increase BRT. We have got two BRT lines on the plan in Reinventing Metro, but it will help us move that forward, do it quicker, and then create even more connection in our region.

Chairman BROWN. Thank you, Mr. Haley.

Mr. Samuelson, President Samuelson, thanks for the sacrifices of your members during the pandemic. I do not think we can mention that often enough. I am glad you highlighted the need to transition and train workers. As new technologies evolve, workers are always needing a seat at the table as this happens. We have heard a lot of debate lately about the term what counts infrastructure, and the Jobs Act, as you know, has funding for quality housing and rural broadband and replacing toxic lead water pipes and more.

Talk about what does infrastructure mean to you in the context of making America more prosperous and healthy and secure in this century.

You are not on. Your mute button is on.

Mr. SAMUELSEN. Infrastructure from our perspective, from my perspective, is any physical or organizational structure that betters society or advances the economy. Certainly housing falls into that category. The lead pipes that you discussed fall into that category. Broadband—as we go forward, infrastructure is not a static thing. It evolves. It is a dynamic thing. It evolves as technology evolves. A hundred years ago, there was probably a conversation about whether the electrification of America was part of the infrastructure, because it had really never happened before. I think it was in the 1930s when the Federal Government decided to begin heavily investing in electrical grids across the country.

So on the issue of broadband, right now everything that we consider traditional infrastructure, whether it be a railroad or housing or highways, they are all broadband-dependent at this point. And just from my own perspective, right out of my own frame of reference, subway signaling systems at one time were absolutely hard-wired, and then we moved to something called “communication-based train control.” It was done off of broadband, fiberoptic at first, and now it is going into the realm of complete wirelessness.

So infrastructure evolves. Housing is certainly part of infrastructure. Anything that is creates job, stimulates the economy, that is infrastructure.

Chairman BROWN. Thank you, Mr. Samuelson.

Ms. Osborne, improving transit service has a national impact when it comes to things, as you point out, like growing overall the economy, fighting congestion, dealing with climate change, remaining internationally competitive. I mentioned Cleveland’s needs. SEPTA in Philadelphia also needs more than \$1.7 billion to replace, if I could say, its Nixon era rail cars. There is a huge need to replace outdated buses across the Nation.

Ms. Osborne, what would a transformative investment in fixing transit mean for these regions and the country as a whole? Can you talk about the effect that it will have on job creation, if done right on job creation?

Ms. OSBORNE. Absolutely. It would mean greater reliability of service, which is essential for those who rely on it. But it also makes transit more attractive to those who could choose any method of travel. As someone who when I was starting out could not find a job that I could get to outside of a car but could not afford a car because I could not get a job, it means access to work. It means participating in the economy. It would be a huge impact overall.

Chairman BROWN. Thank you very much, Ms. Osborne.

Mr. Ditch has checked back in, I believe. We want to try again. I am sorry for the interruption. You are recognized for 5 minutes. This is for the opening statement for those that have joined a bit late.

Mr. DITCH. Good morning. Thank you for the opportunity to testify today. The views I express in this testimony are my own and should not be construed as representing any official opinion of the Heritage Foundation.

As the Committee begins the important work of drafting the public transportation section of the highway bill reauthorization, it is my hope that Senators will have the Federal Government uses hard-earned taxpayer dollars in this area.

Spending keep in mind that the Highway Trust Fund is primarily fueled by Federal gas tax revenues while no fund revenue comes from transit users. Users of highways and airports directly cover most of the cost of highway and airport infrastructure. In contrast, transit users cover less than a third of the cost of transit system, which receive a variety of subsidies.

As such, the mass transit account represents a longstanding wealth transfer from people who drive to people who do not drive and from rural areas to urban areas. Even when setting aside the issue of fairness, the amount of Highway Trust Fund spending dedicated to mass transit is and has been grossly disproportionate to public transit usage. Despite four decades of lavish subsidies and despite urban areas containing a growing share of America's population over that period, mass transit only represented a single-digit share of national transportation use in 2019. Even States with minimal urban populations are required to divert a substantial amount of Federal highway bill funds to transit.

The COVID-19 pandemic caused a sharp drop in transit use and a corresponding reduction in revenue for transit agencies. To date, Congress has passed \$67 billion in supplemental funding for transit through pandemic response legislation, \$30 billion of which came from the relief bill signed in March this year. However, this amount was excessive; \$67 billion represents just over three times the amount of fare revenue collected by transit agencies in 2019. Thus, while small businesses across the country have struggled to make ends meet in recession, transit agencies received a windfall in revenue.

Labor costs represent 60 to 80 percent of transit operating expenses. In cities that have the largest transit systems, compensation for transit works is more than 50 percent above the metropolitan area average. Total labor costs are \$151,000 per transit worker in New York City and \$187,000 per transit work in San Francisco.

Transit agencies are insulated from economic reality by the subsidies they receive each year. Worse, the nontransparent nature of transit funding coming through the Highway Trust Fund means that there is less accountability when it comes to how transit agencies manage their finances.

Everyone understands that the postpandemic world will be different from the prepandemic world. When it comes to transportation, a long-term increase in remote work will mean a reduction in commuting. This would most heavily affect urban cores, reducing

the need for transit. In the context of disproportionate annual subsidies for transit, a substantial COVID-19 relief funding for transit agencies, and uncertainty surrounding future transit use, increasing Federal funding for mass transit would be an unwise use of public funds. A reduction of transit subsidies is in order.

Rather than simply expanding the flawed status quo, Congress should enact reforms, including: first, providing flexibility to low-density States for the amount they spend on transit from their Highway Trust Fund allocation; second, prioritizing operations and maintenance of transit systems rather than expanding them; third, eliminating costly Federal mandates such as the Davis-Bacon Act or at least allowing States to request waivers from these mandates on transit construction projects; and, fourth, reduce the amount of cross-subsidization between Americans who prefer different modes of transportation. Such changes would enhance fairness and value for taxpayers across the country.

Thank you, and thanks for giving me another shot at this.

Chairman BROWN. Thank you very much, Mr. Ditch.

Senator Toomey is recognized for 5 minutes for his questions.

Senator TOOMEY. Thank you very much, Mr. Chairman. Let me stick with Mr. Ditch for a minute, and let me thank all of our witnesses for testifying today.

You know, I tried to catalogue the various categories of spending that Congress has done over the last year. You alluded to that as well, Mr. Ditch, and if you add the extraordinary payments through COVID relief bills to the ordinary funding, I think the figure over the last 12 months is about \$82 billion.

I have a question for you, and I wonder if you happen to have these figures handy. Do you have an estimate of the aggregate total for the entire country, the entire United States of America? Do we know approximately what the fare revenue loss was last year due to COVID and due to the very significant decline in ridership? Do we know how much money was lost in fare revenue?

Mr. DITCH. I would estimate somewhere between \$14 and \$15 billion in revenue losses, and that would include both—that would be things like fares, concessions, advertising, and the like.

Senator TOOMEY. So from basically all categories, so not just—that is not just fare revenue; that is all sources of revenue. So what we sent them was, what, six, seven times all lost revenue? Is that about right?

Mr. DITCH. Closer to, I believe, about four to five, but yes.

Senator TOOMEY. OK, so four or five times all the lost revenue.

Let me ask you this: Back in 2010, the New York State comptroller did a report and found that, and I quote, “The MTA”—New York’s MTA, that is. “The MTA has not effectively managed and controlled its overtime costs. No real efforts were made to make significant changes in longstanding practices that resulted in routine and often unnecessary overtime.”

In 2019, a report by a law firm that was hired by the MTA to investigate this issue came to the conclusion that, and I quote, “This critical finding remains equally true almost 10 years later.” So that is a pretty clear example—I am sure there are others—of fiscal mismanagement.

In your view, when Congress comes in and replaces, say, four or five times all lost revenue for transit systems, does that encourage the kind of reforms they need to be on a solvent basis going forward?

Mr. DITCH. It really does not. There is a real lack of accountability when there are subsidies, and especially the further removed the subsidies are from the system. So, for example, there is a substantial amount of transit subsidy that takes place within metro areas themselves because of accountability. If the systems are not run well, the citizens in those areas are going to let their elected officials know. But when there is Federal subsidies, often it is coming from people who are living hundreds or thousands of miles away for whom transit use is something that never crosses their mind. There is no accountability, there is no pressure for these transit agencies to use their funds wisely and to, for example, prioritize increasing service over increasing compensation.

Senator TOOMEY. Thank you. I am going to run out of time here, so let me just ask a quick question of Mr. Feigenbaum. There are two dynamics that I want to raise, and maybe you could touch on both of them. One is this idea that I think there is a very broad view that there is a pretty significant chance that there will be an ongoing tendency for some people to work from home, and that the effect of that is that ridership on our transit systems are maybe unlikely to ever reclaim the level they were at prepandemic. Exceeding that is very questionable in many places.

Is that an argument for focusing on maintaining the existing system rather than expanding and hoping that demand emerges? That is question number one.

And question number two, if systems do choose to expand into, say, an affluent suburb, is it reasonable to ask affluent people in the suburb to pay the cost of their ridership?

Mr. FEIGENBAUM. Sure, so those are great questions. The first one I would say it is absolutely true that transit ridership is unlikely to recover to the level prepandemic. Depending on who you ask, it is between about 70 percent and 90 percent, and that can make a significant financial difference to some of these transit systems. And so focusing on repairing and maintenance and operations is critical, especially when you consider many of these systems have some maintenance problems and breakdowns to begin with.

And, yeah, I think it is absolutely true that if we want to expand service to transit-choice riders, commuter rail, for example, it is absolutely fair to ask those folks to pay for it. I actually have no objections to that. I think if we are willing to cover 100 percent of the costs of the transit systems, that is great. I just do not think Federal taxpayers should be subsidizing the costs of these systems.

Senator TOOMEY. Thank you, Mr. Chairman.

Chairman BROWN. Thanks, Senator Toomey.

Senator Menendez from New Jersey is recognized for 5 minutes.

Senator MENENDEZ. Thank you, Mr. Chairman. I just want to make a brief comment following up on the Ranking Member's questions and the responses received.

You know, it was transit that brought essential workers to the essential work they were doing during the period of time of the

pandemic. And in terms of subsidizing, well, we subsidize highways. We subsidize bridges. We subsidize all of those things by the Federal investments that we make. So I am not quite sure what is the difference.

First, my thanks to you, Mr. Chairman, because we have not had a transit hearing in this Committee in a very long time, so I appreciate you exerting the jurisdictional breadth.

You know, the Northeast corridor produces 20 percent of our national GDP. A shutdown of the Northeast corridor could cost the economy an estimated \$100 million per day. We have century-old tunnels running under the Hudson River that really got badly damaged during Superstorm Sandy. Yet the project to build this new tunnels—the “Gateway Program”, as we call it—was delayed for years under the Trump administration for purely political reasons. I am glad that we were able to get another piece of the Gateway Program, the Portal North Bridge, across the finish line, and I am encouraged that the Biden administration is moving quickly to get this project moving again, but we have got plenty of work to do.

So, Ms. Osborne, do you agree that Gateway is critical to the continued success of transit and inter-city rail across the Northeast corridor and its impact will be felt nationally?

Ms. OSBORNE. Absolutely. It serves hundreds of thousands of riders a day, and so often the everyday benefit of transit and rail is not noticed until it fails. If the 100-year-old infrastructure we are relying on fails, it is going to have a profound impact not just on the New York City region, but on the Nation as a whole, our national economy. Unfortunately, we have a history of waiting for predictable disasters to do anything about it, and I am excited that we are moving in a direction to get this project moving and not wait until we are trying to fix a problem.

We have watched years of delay just drive up the cost of this project in spite of calls for project streamlining and better project delivery, which apparently only applies to some projects. But we are moving in the right direction now, and this is essential—this is a project of national significance if ever there was one.

Senator MENENDEZ. I appreciate that last comment that you made. As such, don’t you believe the Federal Government should be a strong partner in projects that have national significance?

Ms. OSBORNE. Yeah, but I just—I do not understand if something that serves 200,000 people a day traveling into the largest metro area and the largest metro economy does not count as a project the Feds should be involved in, then I am not sure why we have a transportation program at all.

Senator MENENDEZ. Thank you. In recent history, when working on surface transportation reauthorizations, we have adhered to an 80/20 rule of 80 percent spending on highways, 20 percent goes to transit. Ms. Osborne, your organization has advocated for a much more aggressive 50/50 split for highways and transit. What makes increasing the share of funding allocated to transit an effective investment of Federal resources, particularly as we face challenges related to increased congestion, rising demand for mobility, coupled with climate crisis issues?

Ms. OSBORNE. Yeah, we have never made the kind of investment in transit at the national level that we have in highways. While there is frustration and people refer to transit funding being “diverted” from the Highway Trust Fund, this is the only way people have been willing to support a national program, because we as a Nation know that we need to move people by multiple modes. And, again, if we want people to get to work, if we want them to get to food, to school, we need to make sure that those just starting out, those who might be struggling have a way in. And, again, we do not recognize the importance of transit until it is done.

Here in the DC region, when transit lines have been shut down for repair, we have had tons of people decide not to travel around the region at all. The notion that we should just put every single human being in their own vehicle and throw them on the roads at the same time, I think we hear a lot of complaints about that pretty quickly. Transit is absolutely essential for a functioning economy.

Senator MENENDEZ. Thank you. We have a transit state of good repair backlog of more than \$100 billion. That is \$100 billion of transit assets that are not being adequately maintained or that have outlived their useful lives.

Mr. Haley, as the CEO of a large transit system, do you believe the Federal Government needs to significantly increase its investment in the state of good repair? And what benefits would that have for transit riders?

Mr. HALEY. I absolutely do. Here in Cincinnati, we have got \$25 to \$30 million state of good repair that we have backlogged. You know, it is recommended that the state of good repair programs are needed to upgrade our facilities, our technologies. One of the things that we have done over the course of time is we have ignored our technology, we have ignored our facilities to upgrade to keep as much service on the street as we possibly can to move as many people. But it is now time to improve our state of good repair, and it is time to improve our technology.

Senator MENENDEZ. Thank you, Mr. Chairman.

Chairman BROWN. Thanks, Senator Menendez.

Next will be Senator Reed of Rhode Island for 5 minutes, followed by Senator Mark Warner from Virginia. So after Senator Reed, Senator Warner will proceed. Thank you.

Senator REED. Thank you, Mr. Chairman. This is an incredibly important hearing on transit because it is an issue that has not received the attention it should have over many years.

Ms. Osborne, our Rhode Island transit system is faced with providing transportation to a number of people in a diverse population that do not often work 9 to 5 jobs, et cetera. And so all of our agencies together are facing operational cost pressures. We have been making investments in state of good repair, et cetera. Is it your view that we should also provide access to some operating support for transit agencies?

Ms. OSBORNE. It absolutely is, especially if we want to support really functional transit that provides high-frequency support to move people to work and essential services. People cannot rely on transit that comes every 45 minutes or an hour. We need to have the reliability that frequency brings and not just at the time where

the majority and often white-collar people travel, but when everybody travels.

I would also again emphasize it is not just about getting people to work. People who stay home actually tend to take more trips for nonwork causes, and transit needs to serve those trips, too.

Senator REED. So this in a way would increase demand and resources to the agency, so by investing in more frequent service, we will get a return on more passengers, and that seems to be a logical sort of approach to trying to help our agencies. Does that make sense?

Ms. OSBORNE. We see it every time. If you add frequency, ridership goes up. If you reduce frequency, ridership goes down. People appreciate convenient, reliable service by all means of travel.

Senator REED. Thank you.

Mr. Haley, we have been working and you have been working very hard to get low-energy buses on the road. We have a program, the Low-No program, low-, no-emissions bus grant program. And last year, working with my colleague Senator Susan Collins from Maine, we were able to add additional \$125 million to the Low-No program, bringing it up to about \$180 million.

And as we look to the conversion to electric buses, which is at the heart of most of the Low-No funding, we found in Rhode Island that one of the costs is really the charging infrastructure and utility improvements to make it work. And right now we are not devoting sufficient resources to this charging. We are buying lots of electric buses, but that is not going to get us to the point we want to do.

So can you talk about increasing the investment in Low-No so that we cover not only new buses but also the charging—the infrastructure as well as the bus?

Mr. HALEY. Absolutely. We are committed to greening our fleet, to coming up with electric buses to really reduce the carbon footprint in our region. And you are absolutely right. It is not just the cost of the bus. The bus costs a little more than the diesel bus, but it is also the infrastructure, the infrastructure in our garages, and to be able to electrify that fleet along the routes. So it is the information inside the garages; it is the infrastructure along the routes, but it is the benefit of having less carbon output.

Senator REED. Well, thank you very much. Thank you all for excellent testimony. And, Mr. Chairman, thank you, and I will yield my time.

I guess he will not let me yield my time. I have to keep talking.

Senator WARNER. Senator Reed, this is Mark. I think I was up next.

Senator REED. Mark, as the senior—not the Chairman, but the senior Democrat on the Committee, I think you can go. OK? Thank you.

Senator WARNER [presiding]. Thank you, Jack.

Well, let me in absentia, if the Chairman is off hitting the Finance Committee hearing, let me add my thanks to him as well for having this kind of hearing on transit, long overdue.

I am going to take a moment or two and speak to an issue that I am sure my friend Chris Van Hollen will also speak to as well, and that is the importance of the Washington region's Metro sys-

tem. The truth is in many ways the whole Federal Government runs on Metro, and before the pandemic, this was the system that really kept our Federal Government running, kept our region running. As a matter of fact, 40 percent of Metro riders were Federal Government employees, and the unfortunate thing is that COVID has had a dramatic effect on Metro and it has had on transit systems all across the country. The entity that runs Metro is called “WMATA”. So we have got to make sure—and one of the things that we feel very strongly about and we made sure that we put into the CARES bills was support for Washington Metro.

In 2008, Congress recognized the fact and finally passed in a bipartisan way what is called “PRIIA” legislation that was basically a 10-year deal where \$150 million a year in Federal funds were authorized to the Metro system, to recognize the fact that we were—while our localities, DC, Maryland, and Virginia, were chipping in a lot, the Federal Government was chipping in a bit here to take care of the special needs of Federal workers. Since that time, the surrounding jurisdictions have upped their contributions to Metro. It is now time for the Federal Government to do the same. That 10-year run has obviously expired. Chris and I and Ben Cardin and Tim Kaine have kept that \$150 million going on an annual basis the last couple years, but we have now introduced legislation called the “Metro Safety, Accountability, and Investment Act” that would fund Metro with a dependable revenue stream for an additional 10 years. This would not only continue the \$150 million a year that Metro has received from the Federal Government, but it would also increase if we meet certain additional safety requirements, because we have had some safety challenges on Metro over the years. It would increase that commitment by 10 years.

I am looking forward to working with the Chairman and Senator Van Hollen to make sure that we continue to move this stream forward, and at least for me, it is clearly one of my top priorities.

Moving on to try to get a question in as well, you know, one of the things that we have to grapple with is the state of good repair investments. They are critically important to transit systems all around the country, including Metro, including some of the smaller systems around Virginia. WMATA’s current state of good repair needs are estimated at \$16 billion in order to rehabilitate and replace some of the aging assets, including upgrading a number of the rail cars.

So, Ms. Osborne, can you talk about the importance of the Federal formula for funding for the state of good repair program and how these funds are so essential to programs like Metro and other major transit systems around the country?

Ms. OSBORNE. Absolutely, Senator Warner. You mentioned how much the Federal Government and the region relies on WMATA, and it reminds me of how strong support comes across the country from local businesses, because it turns out that all businesses, whether it is the Federal Government or private business, rely heavily on transit. It is why we see in places like Cincinnati and Atlanta the business community leading the effort to support transit. We just would not function as a community without it.

State of repair is a super-high priority of my organization. It is our top priority not just for transit but for highway investment.

Our “fix-it-first” approach is something we have been supporting, pushing amendments and language on for a long time. We have a better record in requiring a look at maintenance needs on the transit, and I hope that is something that we continue to support to ensure that our region can operate efficiently and effectively.

Senator WARNER. Well, I agree with that. Having been a former Governor and fought transportation and infrastructure battles for many, many years, you know, making sure that we do not see the deterioration of our systems is so critically important. I do not have time for another question, but I do want to just acknowledge Mr. Samuelsen and all the transit worker unions. Your workers had to stay on the front lines through the whole COVID experience and even with the enormous challenges. I want to commend you and your workforce. One of the things why it is so important that we get these transit funds in place not only is for the dollars needed to continue to operate, but to again show support for our workforce.

I think with that, I see Senator Warren, but I believe I was supposed to call on Senator Tester next. I have been given a cheat sheet here. Jon, are you—if not, I am going to call on Senator Warren, but, Jon Tester, are you on the line?

With that, going once, twice, three times, gone, Tester. Over to Warren.

Senator WARREN. All right. Thank you very much, Mr. Chairman.

Climate change is an existential threat to our planet and to our economy, and we just cannot wait any longer to make Federal investments necessary to reduce carbon emissions. But the same things that cause climate change have long been causing severe public health problems, and that has happened disproportionately in Black and Brown communities. Redlining and other racist Federal policies have exposed frontline, vulnerable, and disadvantaged communities to environmental harms at unacceptably higher rates than in neighboring communities.

For instance, people of color in greater Boston are more likely to live near roads that expose them to higher levels of vehicular air pollution, and Black Americans nationwide are exposed to air that is nearly 40 percent more polluted than White Americans.

Transportation is a huge source of this pollution, especially diesel buses. So as we tackle climate change, transportation infrastructure has to be a big part of the picture.

So let me start there. Ms. Osborne, working families depend on buses to get to work, to get to school, and they are often the only form of mass transit in our frontline, vulnerable, and disadvantaged communities. Why is it so important that we invest in clean transportation within these communities?

Ms. OSBORNE. Absolutely, it is vitally important that we invest in efficient modes and clean vehicles. As you said, it is important to meeting our climate goals, but it really does not stop there. Gas engines emit pollution that cause heart and lung disease that also happen to create the preexisting conditions that made people more vulnerable to COVID. Black and Brown communities are exposed to these air pollutants at a higher rate than White people, 24 to 25 percent more, due to proximity to major roadways and highways. Investing in clean vehicles, including transit vehicles, is im-

portant in reducing that impact, and having robust transit provides those same people access to the things they need.

Senator WARREN. Yes, and the need is really critical. In 2018, 84 percent of transit buses and 90 percent of school buses were powered by diesel. If these public transit options were instead powered by clean, renewable electricity, they would produce far fewer pollutants. But replacing current buses with electric ones is a huge financial challenge. Every school district, every city government in this country, is already facing tight budgets that the pandemic has made tighter. So electrifying public transit is going to require help from the Federal Government.

Mr. Haley, my colleagues and I recently introduced a bill that would dedicate \$500 billion over the next decade in competitive grant funding through the Department of Transportation to help State and local governments electrify our public transportation systems. Let me ask you, would that funding have a big impact on our country's electric transit, especially the ability of transit authorities to add electric buses?

Mr. HALEY. There is no question about that whatsoever. It would be a huge help. Nationally, public transportation reduces carbon dioxide emissions by 37 million metric tons every year, and we have got 27 hybrid buses in our fleet, and they reduce emissions by more than 90 percent. To electrify our fleet would be a great, great movement toward reducing carbon dioxide. It would be a big help. And you are right, the finance of that is a huge undertaking. It would be a great help to us.

Senator WARREN. That is good to hear. So public health, clean up the environment, and one analysis found that our bill would create nearly a million jobs. It would lead to 4,200 fewer deaths caused by air pollution every year, and it would save us about \$100 billion a year in avoided health damages.

This legislation directs 40 percent of all funding to frontline communities that have been harmed by racist and unjust environmental practices in order to ensure that these communities are not left behind as we tackle the climate challenge. So I am so glad to see that President Biden included funding in his American Jobs Act proposal to replace diesel transit vehicles and electrify a share of our yellow school bus fleet. It is clear we need to make real investments in this country at a size and scope that will modernize our infrastructure, electrify our buses and rail, tackle climate change, create good jobs, improve public health. The climate crisis is here, and this is a powerful way to fight back.

So thank you, Mr. Chairman.

Chairman BROWN [presiding]. Thank you, Senator Warren.

Senator Tester is recognized for 5 minutes.

Senator TESTER. Thank you, Chairman Brown. I appreciate it. I appreciate this hearing. I appreciate all of your testimony.

I am going to direct my questions to Ms. Osborne, and I want to thank you for your testimony today and your attention to rural transportation needs. And I agree that too often transit solutions developed for urban environments are used, ineffectively by the way, to address rural transportation needs. It does not work, and as you said in your testimony, it puts a square peg in a round hole.

And so that is why I think we need to rethink rural infrastructure investment and not push for one-size-fits-all regulations.

In your estimation, Ms. Osborne, is Congress doing enough to consider and support the unique transportation needs of rural America where distance is a real challenge?

Ms. OSBORNE. Well, I think we certainly need to do a lot more. A lot of times when we talk about rural America, we are thinking about open land farmland, forestland, and we forget that there are concentrations of humans that live in these beautiful towns and that they need access to hospitals, jobs, and all kinds of things. And as many of these services have been consolidated, they have been moved farther and farther away.

So it is not unlike urban transit in that you need to get to those destinations. It is that they are clustered in some sort of, you know, community that serves an entire region, and we need to develop a transit system that recognizes those distances and can pull people into that regional hub.

My colleague John Robert Smith is from Meridian, Mississippi. Meridian served as that regional hub for a lot of rural communities, and that is the approach they took and is I think what we need to look at more for the Federal program for rural transit.

Senator TESTER. I think you have touched on the answer to my next question, and that is, how can we better connect rural public transit to our national transportation system?

Ms. OSBORNE. Well, I think that it does require more study, and luckily we have access to better information and better tools now to be able to evaluate how to get people to those destinations effectively. I think we need to deploy it with a little more concentration in rural America. But we see our neighbors to the north in Canada investing in a \$250 billion Rural Transit Fund. I think we do as much as Canada. We have folks within our country doing a lot of work in this, like in Oklahoma that has developed a really impressive transit plan for statewide transit in rural and urban areas, and we should learn from their experience as well.

Senator TESTER. Well, thank you, Ms. Osborne, and I want to thank you, Mr. Chairman, for having this Committee hearing. I will yield back my time.

Chairman BROWN. Thank you.

Senator Van Hollen is recognized for 5 minutes.

Senator VAN HOLLEN. Thank you, Mr. Chairman. I am really glad that the Committee is turning its attention to the issue of transit. It has been very overlooked in the past, and I am pleased that President Biden's American Jobs Act calls for significant investment in transit. We have seen that the American Society of Civil Engineers gives us a miserable grade of D-minus as a country in this area.

In this National Capital Region, we do have a good system, WMATA. I am going to be working with Senators Warner, Cardin, and Kaine to reauthorize the Federal commitment there.

In the city of Baltimore, 30 percent of households do not own a vehicle, and for years the Federal delegation worked, and ultimately successfully, to get the FTA to approve a major transit system, Metro system, in the Baltimore area, committing \$1 billion. Unfortunately, Maryland's Governor pulled the plug on that, and

we are going to be investigating ways to renew that Federal commitment.

In Baltimore, you also have kind of the opposite problem, which was that a highway to nowhere, a big highway that was going to cut across the city, was stopped, but dividing neighborhoods, leaving a big scar on the city, and I am very pleased that the Biden Jobs Plan also would address that so we could reunite that community, something I have been working on.

But as was just said, in addition to urban areas, transit can play a really important role in suburban and rural areas. The Maryland General Assembly just passed what is called the “Southern Maryland rapid transit bill,” and we are going to be looking for ways here on the Committee to provide additional resources for technical assistance and planning for those small projects and look for ways to be supportive there.

Of course, transit workers are the lifeblood of our transit systems. I want to thank them for being on the front lines during this pandemic, putting themselves at risk to continue to carry people to work, and making the necessities of their daily lives. President John Samuelson, thank you for your leadership there. As you know and you mentioned in your testimony, a bill that I introduced last year I will be reintroducing soon to better protect transit workers and pedestrians. Can you just talk briefly about the importance of getting that done?

Mr. SAMUELSEN. Yeah, absolutely. So what we are experiencing right now is really, aside from COVID-19, an epidemic of assaults against transit workers, frontline transit staff, and in addition to riders of the systems. But just in the media this morning or yesterday, 1,100 New York City transit workers alone were assaulted in the last 6 months or victims of aggressive crimes, including assault, spitting, menacing, that type of thing.

So it preexisted COVID-19, but under COVID-19 there is truly a full moon atmosphere in public transit across America. Transit workers go to work every day riddled with anxiety about whether they are going to come home in one piece, and it is an incredibly unfortunate situation, and hopefully—and we greatly appreciate the bill that you introduced, Senator, and having the FTA utilize the leverage that they do have in order to compel transit agencies to develop assault reduction plans, crime reduction plans, is spot-on. It is something that we have been looking for for a long time.

Wrapping our arms around how to stop and how to reverse the assaults on transit workers is probably the most talked about issue among transit presidents of the unions across this country, even in the age of COVID-19. It is really total insanity out there in public transit systems for our workforce. So thank you.

Senator VAN HOLLEN. Well, thank you, and thanks to all your members, and we will work to get that done, along with the other legislation on workforce training for transit workers.

Ms. Osborne, we currently have a funding system when it comes to transportation that treats highway funding support from the Federal Government much more favorably than transit, despite the congestion, also despite the environmental benefits of transit. Can you talk a little bit about that?

Ms. OSBORNE. Absolutely. You know, if we really want to commit to transit, it is time to commit in a way we did to highways 7 years ago. There is no reason that every city in the United States should not have access to high-quality transit. Americans travel elsewhere and ask why they have such good transit service there and why can't we have, and the answer is we have not made the same level of commitment. We instead say it is a local concern or discuss putting everybody in their own car all at the same time and see how efficient that will work.

Transit is in high demand and low supply. It drives up property values where transit exists because we are not meeting market demand. It is long past due for that kind of commitment that you are describing.

Senator VAN HOLLEN. Thank you.

Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Van Hollen.

Senator Smith from Minnesota is recognized for 5 minutes.

Senator SMITH. Thank you, Chair Brown, and thanks so much to our panelists for being with us today. I think this is such an important topic.

As I think about Minnesota and the role that transit plays in the economic competitiveness of our State, not only in big cities but also in rural areas, I am just particularly grateful for the conversation that we are having today.

I want to start with that question of rural transit that my colleague Senator Tester touched on a little bit. I think that COVID has really shown us how important it is—what an important role transit plays, especially for our essential workers getting to work, families being connected to child care and to grocery stores and all of the basic services that they need in their lives. It is really connecting people to opportunity. And, of course, some areas rely more on transit than others, especially people living in low population density areas where there are often also large senior citizen populations are increasingly reliant on transit. We do not think about that a lot when we think about transit.

So with this in mind, I have worked with Senator Mike Rounds from South Dakota to develop a bipartisan proposal to help increase Federal investments in rural transit, and our bill is called the "Investments in Rural Transit Act", and what it would do is to increase the Federal share of operating expenses so that more transit services can be offered in the communities that need them.

Ms. Osborne, I would like to just ask you about this. Can you talk a little bit more about the value of transit in rural areas and how increased investments are really contributing to the economic competitiveness of rural communities?

Ms. OSBORNE. You are absolutely right. People actually, when they are asked, young people who have a choice of where to move, often want to move to small and rural communities. They just do not want to have to spend their entire life in a vehicle. They want to move to a walkable community where they can be near the things they need, and they do still want access to things like transit. So giving them the sort of access to transit like you are talking about is very important for attracting people back to those communities.

I will also say that sometimes those small communities are in many ways more easy to serve with transit because the town itself that you are serving is compact. It is about—it is a little harder when you have to move people out of the town to a neighboring community for services. But both can be done, and there are great examples across the country of this, including, you know, a small community like Oxford, Mississippi, that has extraordinarily good transit. And as an LSU grad, I cannot tell you how much it hurts me to compliment the town of Ole Miss, but it must be done because their service is so fantastic.

And so I think we have a lot that we can learn from communities across the country, and those that have invested have done well. And through COVID, rural transit did not just look at cuts like we did in places like DC. They looked at nonexistence. So it is really important to recognize many are putting things together with a shoestring budget and, with a little more operations support, could expand service and provide more robust support to their locals.

Senator SMITH. That is great. I think you touch on something which is so important, which is that there are great models and some really great innovation happening in small towns and rural areas about using transit, getting transit out there. What they lack is the resources and the support to bring those ideas to scale. And I think, you know, I hear from mayors, from county commissioners in Minnesota, from business leaders in Minnesota about how important transit is to the competitiveness of these rural communities. I think that is a big opportunity for us, colleagues, in the American Jobs Plan to really make a push for rural transit.

I have a minute or so left. I want to come back to you, Ms. Osborne. You touched on the connection between transit and housing, and I want to touch on this. We are seeing a huge problem with affordable housing, and as housing prices increase, people of moderate means or low-income families are having to move farther and farther away from their jobs. That creates a whole new set of challenges for us.

The University of Minnesota has done some research that shows if you coordinate transit service with housing and workforce, that really supports economic growth and economic competitiveness, really looking at this accessibility issue with transit.

So could you just say, what do you think are the benefits of transit investments through that prism of accessibility? And why should we consider that as we look at these investments?

Ms. OSBORNE. Access to jobs and essential services by all modes of travel should be the way we determine whether or not the transportation system functions the way we want, because that is the fundamental purpose behind it. And where you have high access, particularly to those nonwork destinations, that is where people are spending less on transportation; they are having higher access to opportunity. They are more efficient members of the economy. It has positive benefits in the environment, in the economy, in quality of life, everything across the board. And what the University of Minnesota is doing in this is extraordinary and something we should really be importing into the whole program.

Senator SMITH. That is great. Thank you so much.

Thank you, Mr. Chair.

Chairman BROWN. Thank you, Senator Smith.

Senator Ossoff from Georgia is recognized for 5 minutes.

Senator OSSOFF. Thank you, Mr. Chairman. And thank you to our panel.

Ms. Osborne, I am working with Mayor Davis in Augusta, Georgia, which hosts the Cyber Center and has a growing high-tech industry, to expand autonomous vehicle development capacity, possibly including the development of a testing center in or around Augusta for autonomous vehicles. Can you discuss how August and its work on autonomous vehicle development could contribute to the quality of life and transit opportunities and technologies over the next few years in Georgia and across the country?

Ms. OSBORNE. I am happy to. My lens toward transportation is much more about the policy that governs how any mode or any technology of transportation moves through it. The more we build the multimodal system, multimodal roadways, the better things like autonomous vehicles will work, the better transit will work, the more easily people will be able to walk and bike to that transit and to their opportunity.

Unfortunately, in our current policy environment, these technologies will be somewhat squandered, so I am hoping to see places like Augusta and my friends in Pittsburgh who are heavily involved in autonomous vehicles look at how the design of our transportation system and particularly our roadways interferes with the deployment of AVs, because I think we will find that the same things that interfere with AV testing and movement is what is making our current system with old-fashioned people, drivers, less efficient and less safe as well.

Senator OSSOFF. Ms. Osborne, I appreciate that. Another topic of great interest across Georgia is the electrification of our bus fleet. I have been working with Mayor Miller in Macon advancing the electrification of Macon's bus fleet as a top priority. Can you comment on how that can improve quality of life for the people of Macon?

Ms. OSBORNE. Absolutely. Investing in clean transportation in terms of an efficient mode of travel like transit and clean vehicles like electric transit vehicles is incredibly important. As Senator Warren mentioned, it is not just about climate. It is about gas engines that emit pollution that causes heart and lung disease, that have contributed to the very preexisting conditions that make people more vulnerable to COVID.

So ensuring that the vehicles that the Federal Government is supporting are not contributing to those public health problems, which greatly impact Black and Brown communities, 24 to 25 percent more than White communities, is going to be part of being a responsible citizen, but, also, making sure that as we invest in clean vehicles, that we are expanding service so that the same people we are trying to protect are getting more access to the things they need. That is the one-two punch that is going to really support better equity and better outcomes.

Senator OSSOFF. Thank you so much, Ms. Osborne.

The city of Valdosta under Mayor Matheson's leadership is interested in expanding microtransit opportunities. Can you talk about

how for smaller cities like Valdosta microtransit can be an innovation that improves quality of life?

Ms. OSBORNE. Yeah, we are seeing a lot of experimentation in this and in a lot of areas. COVID just encouraged more experimentation, which I guess is one good outcome. I know that folks in Sacramento have been also experimenting with using microtransit to support movement of people, particularly in less dense areas of the city, and we are learning a lot. And what I am hoping is, as these various communities experiment and learn, we are able to put together what their experience tells us so that we can better support the most effective ways to move people around, whether it is through buses, trains, microtransit, you know, sneakers, whatever it may be.

Senator OSSOFF. Thank you, Ms. Osborne.

Columbus, Georgia, relies heavily on a hub-and-spoke model of routes for its bus system, and there is great interest in increasing the capacity of riders to get directly from one destination to another rather than having to return to central stops and central stations. Can you talk about how we could reduce ride times for the residents of Columbus and support economic growth by expanding routes in Columbus?

Ms. OSBORNE. Yeah, I think that something that Senator Smith just mentioned out of the University of Minnesota and what I have worked with from the University of Wisconsin in measuring access to jobs and services can be very instructive in determining how routes might change and give people better crosstown connections and even circulator connections.

We carry a lot of great data in our smartphones about access to various destinations, and it is probably time to deploy that to our transportation system and planning so that people can have the most efficient access to the things they need.

Senator OSSOFF. Thank you, Ms. Osborne, and with my brief remaining time—and thank you, Mr. Chairman, for allowing me just a couple more seconds here—Metro Atlanta, there is a lot of interest in bus rapid transit. Can you talk about bus rapid transit, Ms. Osborne, and how it can improve quality of life in metropolitan Atlanta, please?

Ms. OSBORNE. Bus rapid transit is an incredible service. It is easy to deploy and can utilize buses in a way that, again, just increases access to the things people need. We definitely should provide all forms of transit to people and support at the Federal level so that the locals can choose the best form possible.

Senator OSSOFF. Thank you. I yield back.

Chairman BROWN. Thank you, Senator Ossoff.

Senator Warnock from Georgia is recognized for 5 minutes.

Senator WARNOCK. Thank you so very much, Mr. Chairman, and I thank all of you for your testimony.

Too often in American politics there is a false dichotomy between urban and rural, which plays into the politics of division. I do not know that we get much done in that approach. But the truth is in my home State of Georgia, for example, public transportation not only connects people to restaurants and shops and friends and family in big cities like Atlanta, but it is also critical to opening the doors of opportunity and education and jobs in rural communities

and small towns where people suffer from access, lack of access and mobility. In Georgia, we have transit providers in nearly 80 percent of 159 counties, 17 urban systems, 80 rural systems—80 rural systems, 17 urban systems.

So I think it is important when we talk about public transportation that people recognize that both urban and rural communities, small towns and big cities have a stake in that investment.

The truth is we are not investing enough in public transportation, especially in rural and low-income communities. Nearly 100 of our 159 counties are considered areas of persistent poverty, and that is not including the very low income neighborhoods in Atlanta, 159 counties, 100 of those Georgia counties considered areas of persistent poverty, lack of economic upward mobility, inextricably connected to a lack of mobility. Public transportation is not only a ticket to literal mobility but to social mobility.

Ms. Osborne, do you agree that public transportation improves mobility, equity, and quality of life in both rural and urban areas? Can you talk about that?

Ms. OSBORNE. Absolutely. As someone who could not get to a job because I did not have a care but could not afford a car because I could not get a job, it was moving to a community like the one I live in now that had transit that finally impacted economic opportunity. For people with less than me, it is even more essential.

Senator WARNOCK. So what should we do to support, prioritize, and improve service for people who are living in these areas that are experiencing persistent poverty, both in our cities and our rural counties and across the country? And does that start with providing funds specifically to study the issue and develop ways to strategically address it?

Ms. OSBORNE. Absolutely. Having funding to support good planning and using the tools like the one Senator Smith pointed out that the University of Minnesota has worked on on measuring access to jobs and services by all modes of travel, you do it through GIS. You can cross-reference it with areas of persistent poverty, communities of color, underserved areas, and determine where their barriers are and what services will improve it, absolutely could unlock a big change in access to economic opportunity. It starts with planning, and that planning will be all the more effective if there is money to actually institute that plan at the end.

Senator WARNOCK. So do measures like ridership, for example, sometimes stymie our efforts or do we need a broader view of how we analyze what is actually needed in these communities? Can you speak to that?

Ms. OSBORNE. That is an excellent question, Senator, and I think ridership was one of the best measures we had for decades. But now we have access to much better information, which is not how many people are on a bus at any given time, but how many people are able to move to jobs and to essential services. We should be measuring all modes of transportation this way. Right now we measure whether or not vehicles move or whether or not people get on and off buses, but we really need to measure whether or not we have moved people, particularly in areas of persistent poverty, to the things that they need. And we can do it. We just have not chosen to yet.

Senator WARNOCK. So in the effort then to be fiscally responsible, so I understand your answer, to be fiscally responsible, to be efficient in the deployment of public resources to address this issue, and there is a sense in which looking only at ridership is a rather crude approach rather than a smart and strategic approach to thinking about public transportation and, thus, mobility, both physical mobility and economic mobility?

Ms. OSBORNE. Absolutely. It is a proxy for those legitimate outcomes you are seeking, and we can now just measure those outcomes, so we should do it.

Senator WARNOCK. Great. Thank you so much.

Chairman BROWN. Thank you, Senator Warnock.

Senator Cortez Masto is nearby, and I am not sure she is going to be able to join us. I cannot really tell yet. So we will wrap up. Thanks to all of the witnesses for being here today and providing testimony.

For Senators who wish to submit questions for the record, those questions are due 1 week from today, on Thursday, April 22nd. For witnesses, all of the five of you, you have 45 days to respond to any questions in writing, if you would do that.

I will close with a final question for my friend from Cincinnati, if I could. We need to remember we are talking about decisions—all this theoretical talk and budget numbers and all, these are decisions that affect real people's lives. Mr. Haley, if you would end by walking us through what it would mean for a worker in Cincinnati if we took away her bus stop or, conversely, what it would mean for that worker if we added a bus stop in her neighborhood and increased the number of times the bus comes? What are some Cincinnati neighborhoods this would help?

Mr. HALEY. Well, I will start off by telling a story. There was a customer of ours—we do not run a lot of service on Sunday, and she had a job where she was not working Monday through Friday 9 to 5. She had a different type of schedule. And on Sundays, the bus was not able to get her to and from her job, so she was taking an Uber on Sunday to get to and from work. So her entire salary for her job at Wendy's on Sunday went to pay for her transportation to and from her job for that day. If she had very robust transit to get to her job, you know, during a Sunday or a Saturday or second shift, it would save her a lot of money. If we have really robust transit that a customer could get to and from their destination very quickly, they could spend less time on a bus and more time doing the things that are important to them. It will give people time in their day back. And, you know, the things that we are doing in transit with Wi-Fi on buses and things like that, people can spend their time on the bus, in traveling, they can spend it working, you know, rather than just being in their car driving. Having a close bus stop, having very frequent service, access to jobs, school, health care, shopping, 7 days a week, all shifts, because people work different shifts, it is a game changer in people's lives. It is extremely important.

Chairman BROWN. That may have been the best story to illustrate what this is about of the whole morning. So thank you for that, Mr. Haley. I had asked you—and you do not need to answer, so I will turn to Senator Cortez Masto—what Cincinnati neighbor-

hoods, and I know it is mostly all Cincinnati neighborhoods, but I know some crucially especially that you serve well. So thank you.

Before adjourning, Senator Cortez Masto is recognized for 5 minutes.

Senator CORTEZ MASTO. Thank you. Thank you, Mr. Chairman, for holding this hearing. And let me just say it is incredibly timely for us to be discussing these issues and working toward a bipartisan transportation reauthorization. And I hope that it can be part of a broader and more comprehensive infrastructure package. We have underinvested in both our physical and human infrastructure for far too long, and the COVID-19 pandemic and increased global competition have highlighted the gaps in our current infrastructure. So it is time to reinvest in our Nation's infrastructure, including our transit systems and in the workforce that is needed today and to take us into the next century. And it is important that we do this equitably because the infrastructure needs of one region, State, or community might be different than the needs of another community, and that includes modes of transportation.

So let me start with Ms. Osborne and Mr. Haley. I know there are many places experiencing infrastructure deficiencies and the aging infrastructure throughout the country, but in Nevada, the State that I am from and representing, there is a need for investments that balance rapid population growth and our most important tourism industry. And as just one example, one recent national report ranked Nevada as having the fewest deficient bridges in America. All of this is to say that regions of the country are different, and we all have different needs.

In the same respect, minority communities have always borne the brunt of economic downturns and crisis like the COVID-19 pandemic, and they still suffer from redlining and highway construction that disconnected Black and Brown communities from job centers and commerce. So every community deserves frequent, high-quality transit service that builds connections to opportunities.

So my question to both Ms. Osborne and Mr. Haley is: Given the focus on equity for this administration, how should we be addressing the differing needs of marginalized communities and communities with aging infrastructure without penalizing communities with newer infrastructure who need to address population growth? Yes, please.

Ms. OSBORNE. I think you are absolutely right that communities differ. However, even those newer communities, if we want to weave communities back together, have some retrofits to do as well. So I think starting from a perspective of, you know, the priorities of my organization, which is fix-it-first; once you have got a system in a state of repair, make sure it is fixed better so that we are valuing human safety over vehicle speed, which is going to require retrofit of a lot of roads we have built over the last 50 years; and evaluating the system based on access to jobs and essential services by all modes of travel, with a particular focus on those very disadvantaged communities you are talking about.

We can map it. We can discover what the barriers to access are. It might be that there is infrastructure blocking someone's way. It might be a lack of transit service. We can compare all of those, we

can put them together, and we can make much more targeted and helpful decisions, whether it is an area that is aging and needs to focus more on the fix, or it is a new area that needs to better accommodate their growing community.

Senator CORTEZ MASTO. Thank you.

Mr. Haley, any comments?

Mr. HALEY. Yes, I agree. We really have to make sure that we are connecting the region. You know, you look at the Cincinnati region. Northern Kentucky is right across the river, and there are people that travel between Cincinnati and northern Kentucky or into Warren County or Clermont County or Butler County, and we have to make sure we are creating systems for all of those neighborhoods to connect our entire region so that they have access, so they have access to jobs. I talked earlier about access to better-paying jobs, to have access to health care, to have access to education. So a system that creates the span of service that these communities need, the frequency of service that these communities need, and good-quality bus service, good-quality public transportation is necessary.

Senator CORTEZ MASTO. Thank you. Thank you for the discussion. This is such an important discussion. I really appreciate all the panelists.

Thank you, Mr. Chair, again, for holding this hearing.

Chairman BROWN. Thank you, Senator Cortez Masto.

So as I said earlier, the 45 days, please respond. Thank you, all five of you, for your participation today and your good insight, and I think we have moved things forward as we move on public transit issues.

Thank you so much. The Senate Committee on Banking, Housing, and Urban Affairs is adjourned.

[Whereupon, at 11:50 a.m., the hearing was adjourned.]

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

PREPARED STATEMENT OF CHAIRMAN SHERROD BROWN

Shortly before the pandemic, Chairman Crapo and our Committee held a well-attended hearing on the reauthorization of Federal transit programs. We are picking back up on those efforts. I hope to work with Ranking Member Toomey and all of the Members of our Committee to advance a surface transportation bill and tackle other infrastructure investment we need to create economic growth, in all communities.

Public transportation helps people get to work and school and to doctors' appointments and the grocery store, and spend less of their time and hard-earned money commuting.

And when we say public transportation, of course we don't just mean big city subways. This Committee understands that public transportation plays a critical role in pretty much every community—in rural areas and small towns, in mid-sized cities and old industrial towns, on the coasts and in the heartland.

During the pandemic, essential workers have relied on public transportation to reach their jobs at supermarkets, pharmacies, and hospitals. Now, transit is a lifeline to vaccination centers.

And when more Americans return to offices and schools, all of the problems facing our transportation systems will come roaring back.

We know the cost of transportation is a huge drain on families' budgets and on their time.

If a bus or train doesn't run, Americans who don't have the option to work from home lose out on hours and the paychecks that come with them—and sometimes even lose their jobs.

An unexpected car repair or a car accident can devastate families who rely on their cars to get to work—especially when 40 percent of Americans don't have the money to cover a \$400 emergency expense.

And we know who gets hurt the most when transit isn't a reliable option—it's the Black and Brown neighborhoods who have been historically cut off from job centers, it's the women working at essential jobs, it's rural areas where walking isn't an option.

For our Nation's seniors, particularly in our suburbs and rural communities, a van or bus from the local transit service is a lifeline to the doctor or the grocery store or church.

A taxi or an Uber may work for some. But in Ohio, that's often not a reliable option outside of our larger cities, it's usually not an affordable option, and the rideshare model is denying millions of workers protections on the job and benefits like health care.

We can do better.

All Americans should have high-quality, frequent transit service that saves them time and money.

The solution is pretty simple—when you have better, faster transit service, more people use it.

Public transit will help restore and grow our economy as we emerge from the pandemic. Good transit attracts good jobs.

The Cincinnati USA Regional Chamber understands that—it led the business community's support of a historic ballot measure to invest in the Cincinnati Metro, which passed last May.

And we are seeing this in cities across the country—business and civic leaders coming together to support transit as a tool for economic growth and inclusion.

Whether it is the business community in Columbus, or Charlotte, or Atlanta, we are witnessing an emerging consensus that a vibrant, fully functioning transit system is essential to attract investment and create communities where people want to live and work.

And of course, public transit remains one of our best tools to fight climate change. When more people take public transit, we get less traffic on the roads and lower emissions.

We need to seize new opportunities to get the next generation of buses and rail cars into our communities, and support American manufacturing.

That means expanding the Low- or No-Emission Vehicle Program. Transit agencies save money in the long-run by adopting more efficient vehicles, and with Buy America requirements, we will create a significant number of manufacturing jobs building those buses in the U.S.

Running more efficient buses and supporting American industry is something I hope we can all agree on. Our Committee has worked on a bipartisan basis to reject efforts by Chinese Government-backed companies to infiltrate the transit industry,

and instead support the deployment of advanced, American-made zero-emission buses.

Fixing deteriorated infrastructure and replacing old rail cars make transit more efficient. Riders in places like Cleveland, Boston, and Philadelphia face delays when old tracks and outdated rail cars slow our transit system and cause longer commutes. And those repairs are all jobs that cannot be shipped overseas.

In Cleveland, the RTA operates a fleet of 74 rail cars: all of them are more than 35 years old and needed to be replaced years ago.

America's transit workforce is ready for the job. Transit workers made enormous sacrifices during the pandemic. More than 350 transit workers have died from the virus, many from communities like New York City that experienced horrible rates of infection in the early stages of the pandemic. The transit workforce, like other frontline workers, kept our Nation functioning.

We need to listen to the voices of transit workers to offer better, safer service in the years ahead. And we need to partner with the transit workforce as agencies consider adopting new technology and automation.

Technology should be used to make transit service safer, but there is no substitute for a well-trained bus operator to help riders and keep them safe, particularly passengers with disabilities. And we should never outsource critical safety functions and essential services.

These are all critical national issues, and we need to take a leading role—that's how we solve big problems.

The American Jobs Plan is bold, it's necessary, and it's how we finally seize opportunities instead of running from them. It would put people to work, and it would invest in the places that have been left on their own by Washington and Wall Street for too long.

I look forward to hearing from Committee Members and witnesses about how we can build the infrastructure our communities need. I also know that together we'll delve into other transit subjects on our Committee in the weeks and months ahead, including looking at how housing and transit interact, and the issues facing our rural transit providers.

Together, we can—and must—revitalize public transit and infrastructure to create growth in our communities, lower people's transportation cost, and create good-paying jobs.

PREPARED STATEMENT OF SENATOR PATRICK J. TOOMEY

Chairman Brown, thank you.

COVID has been an extraordinary crisis that Congress has responded to in an extraordinary way. In 2020, Congress provided almost \$4 trillion in COVID relief through five overwhelmingly bipartisan bills. As part of those bills, we gave \$40 billion to transit on top of the \$12 billion we annually spend on transit.

Last month, Democrats broke from that spirit of cooperation to ram through a wasteful, partisan \$1.9 trillion spending bill. Among its provisions was an extra \$30 billion for transit. To recap, in 2020, Congress provided \$12 billion in annual transit funding, then we spent \$40 billion in COVID relief, and last month we spent another \$30 billion. That's a total of \$82 billion.

What's the annual cost of operating all of the transit agencies in the U.S. combined? In 2019, it was \$54 billion. Even if you add to that the transit agencies' capital expenses, their combined annual costs were still less than \$82 billion.

Democrats tried to justify this spending by saying that transit systems would collapse from declines in ridership and State and local government revenues. But ridership did not drop to zero and ridership has increased since the worst days of the pandemic last spring. Their systems are by definition local. They serve a city or maybe a metropolitan area. Should the local jurisdictions and States where these systems reside have any responsibility to pay for these systems? Evidently not, according to my colleagues.

The fact is, on the whole, State and local tax collections set a new record in 2020. Plus in 2020 we sent more than \$500 billion to States and local governments for COVID relief. And last month, the Democrat spending bill gave them another \$350 billion.

To add insult to injury, we sent these billions to transit agencies without requiring them to implement any reforms. The financial woes of many big-city transit agencies pre-date COVID and are tied to chronic financial mismanagement.

For example, New York City's MTA, the country's largest transit agency, has been mismanaged for years. It's had mounting debts—with its long-term debt tripling, from 2000 to 2019, to over \$35 billion. In 2019, MTA projected enormous budget

deficits, reaching \$1 billion in 2022. And since 2014, it's had \$7 billion in questionable and suspicious overtime expenses.

This February, MTA was finally close to making reforms to address its chronic problems. But then Democrats threw more money at MTA, and, lo and behold, MTA's proposed reforms went away. MTA's problems haven't been fixed—they've just been kicked down the road, courtesy of the U.S. taxpayer.

Now the Biden administration wants another \$85 billion for transit as part of a wasteful, multitrillion dollar welfare and infrastructure bill. Let's consider how excessive this is. If we pass the Biden bill, along with the transit funding extension that is being contemplated here, and combined it with the \$82 billion we provided over the last year, we could, based on 2019 Census data, buy every transit commuter in America a \$30,000 car.

Mr. Chairman, I'm glad you're holding a hearing on FAST Act reauthorization. Because we should be talking about how to reform our existing transit funding system. We should certainly be doing that rather than thinking about spending another \$85 billion on transit.

In doing so, we should be guided by sensible principles that will protect taxpayer dollars from misuse, including: prioritizing maintaining existing systems rather than expanding with the hope that there will be demand; ensuring State and local governments pay their fair share and are accountable; removing useless regulations that delay projects and increase costs; reforming planning requirements that otherwise lock local governments into rigid, long-term system expansions; paying for infrastructure improvements responsibly, including addressing the insolvency of the Highway Trust Fund, and limiting transit's share of the Highway Trust Fund expenditures to the long standing level of 20 percent.

Importantly, we need to ask, does mass transit continue to make sense in every U.S. city at its current scale?

Today, we will hear from two witnesses how we can take a more thoughtful approach to funding transit than just throwing money at it. Baruch Feigenbaum is a transportation expert at the Reason Foundation. He will testify that transit systems and lawmakers must adjust to the shifting work and transportation trends accelerated by the COVID pandemic.

We will also hear from David Ditch, a budget and transportation expert at the Heritage Foundation. He will testify that the transit funding in the recent Democrat spending bill bailed out chronically mismanaged big city transit agencies.

This year, Congress should come together to responsibly reauthorize the FAST Act, while reducing wasteful, outdated, and duplicative spending. I hope my Democratic colleagues will follow that path of cooperation rather than ramming through another partisan spending bill that wastes taxpayer dollars on transit bailouts and other liberal priorities.

PREPARED STATEMENT OF DARRYL HALEY

CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER, SOUTHWEST OHIO REGIONAL
TRANSIT AUTHORITY/METRO

APRIL 15, 2021

Chairman Brown, Ranking Member Toomey, and Members of the Committee on Banking, Housing, and Urban Affairs, on behalf of the Southwest Ohio Regional Transportation Authority (SORTA) thank you for the opportunity to testify on the "21st Century Communities: Public Transportation Infrastructure Investment and FAST Act Reauthorization".

My name is Darryl Haley, and I am the Chief Executive Officer and General Manager of SORTA, the public transport agency serving Greater Cincinnati and its surrounding suburbs. Our service area includes Hamilton County, in addition to providing commuter routes from Butler County, Clermont County, and Warren County. I would like to share with the Committee some of the issues that are critical to our agency and the broader industry as you consider policies related to the next surface transportation reauthorization that will succeed the Fixing America's Surface Transportation Act (FAST Act).

By way of background, SORTA operates 46 major fixed bus routes, as well as a demand-responsive paratransit service, making approximately 14 million passenger trips annually. We are excited about the future of transit in our region due to the support we recently received from the citizens of Hamilton County. On May 14, 2020 the citizens voiced their confidence in our authority by passing a new county-wide transportation levy. Issue 7 approved a 0.8 percent countywide sales tax increase for transit service and transit-related infrastructure improvements, which

triggered elimination of the 0.3 percent city of Cincinnati earnings tax on city residents and workers that has been Metro's primary funding source for nearly 50 years. In the coming month, Metro will begin rolling out the Reinventing Metro plan, which will provide much needed improvements and expansions, including: more crosstown routes, more frequent service, 24-hour service on several routes, expanded weekend service, earlier and later service on several routes, circulator routes, extension of Express routes, new service to emerging job centers, and an overall expansion of its service area. During this multiyear rollout we will continue to engage the community to ensure their evolving needs are met.

Additionally, we are proud of the job access improvements the plan we will provide including:

- 20,000 more job accessible by Metro
- 740 more employers accessible by Metro; and
- \$850 Million total wages accessible by Metro

As you all are most certainly aware, COVID-19 has devastated many of our communities and SORTA has been laser focused on making sure we do our part in uplifting our fellow citizens that are still struggling. Our Everybody Rides Metro Foundation (Empowerment Fund), continues to support low-income riders, and we relaunched the Fund in January 2021 with the first contribution of \$42K of the \$500,000 to be received annually. Currently we have 21 social service agencies registered and these agencies are reimbursed 50 percent of the fare for travel for trips related to:

- Work and job training
- Medical services; and
- Social services

I would like to thank each of you for your leadership in supporting transit during this pandemic. The COVID-19 relief packages have been critical to ensuring our ability to keep our doors open, buses on the streets, our employees being able to keep their good paying jobs to support their families, and their health insurance; all while many of them come to work every day putting themselves on the front line to make sure other members of the community have the ability to get to work, school, doctor's appointments, the grocery store and other essential activities.

Thanks to funding provided by the CARES Act, SORTA has been able to provide PPE for our employees, as well as our passengers, and install plexiglass barriers on each of our vehicles. The funds enabled SORTA to maintain staffing levels throughout the pandemic and avoid any layoffs. We were also able to retrofit our workspaces and return to full service more quickly after the stay-at-home orders were lifted.

Currently, Metro is offering free rides to support our regional "Get Out the Vax" efforts to remove transportation barriers and ensure equal access to COVID-19 vaccines in our community.

This year has not been easy, but I am proud to say that SORTA has worked hard each and every day to serve our community and we have had some significant accomplishments during this season as well. As I mentioned earlier, we passed a countywide levy in the midst of a pandemic; opened a new transit center in our second busiest transfer location; brought Access para-transit service in-house; increased ridership 4.3 percent first quarter (prior to COVID-19); updated our fleet with 19 new buses featuring Wi-Fi and charging ports for customer usage; signed an advertising contract whose revenue will be used to add 400+ benches and 200 shelters at high traffic bus stops; became fully staffed with operators; and we were among the first business in the city to recognize Juneteenth as a paid holiday, just to highlight a few.

As you might expect we have had our challenges as well; ridership is down about 50 percent due to COVID-19; we have incurred increased costs related to COVID-19 supplies, i.e., masks, gloves, sanitation solution, installing barriers, etc.; and delayed the rollout of the Reinventing Metro Plan from Q4 2020 to Q2 2021.

Given our current circumstances and as you consider reauthorization of the FAST Act, there are a few policy recommendations I would like to make this morning. First, I was pleased to see President Biden's commitment to transit included in his transformational America Jobs Plan, and within his FY2022 Budget. His call for new funding to modernize existing public transportation and for transit expansion aligns with the work we are doing at SORTA and the local investment being made by our Reinventing Metro Plan.

I believe this forward-thinking along with the top policy recommendations presented by our industry association the American Public Transportation Association

(APTA) would provide the investment needed to build a 21st century transportation system our country is in dire need of.

The top three APTA policy priorities are premised on erasing the infrastructure deficit, rebuilding and expanding our public transportation systems to best meet the needs of today's commuting public and future demands, and enhancing our Nation's economic competitiveness. APTA calls for a total Federal investment of \$178 billion over 6 years for public transit and passenger rail. If enacted, this investment will create or sustain more than two million jobs.

Highway Trust Fund Solvency and Long-Term, Increased Investment

APTA calls for Federal investment of \$145 billion over 6 years to fund critical projects that will repair, maintain, and improve our public transit systems today and in the future. APTA based this Recommendation on the funding needed to provide the Federal share necessary to eliminate the transit state-of-good-repair backlog, which the U.S. Department of Transportation (DOT) has determined is more than \$99 billion and growing.¹ Additionally, our plan would fully fund each of the projects currently in the Capital Investment Grants (CIG) pipeline, and fund other key priorities outlined below.

It has been more than 25 years since Congress last raised the Federal fuel taxes that primarily support the Highway Trust Fund, and the purchasing power of this revenue has decreased by more than 40 percent over that time. Current revenues deposited into the Trust Fund are insufficient to support the existing Federal highway and public transportation programs without significant general fund contributions. This status quo is unsustainable and tough choices need to be made by Congress.

Reestablish a 40-40-20 Capital Investment Ratio Among Key Programs

APTA calls on Congress to reestablish a 40-40-20 capital investment ratio among the CIG, State of Good Repair, and Buses and Bus Facilities program. Historically, Congress allocated funding on a 40-40-20 basis among the CIG, State of Good Repair and Buses and Bus Facilities programs. The 40-40-20 ratio was maintained in authorizing law from 1987 through 1998, and for guaranteed authorizations from 1999 through 2003. Recent authorization acts have not maintained that ratio and, as a result, the Buses and Bus Facilities program has received less funding.

Our Recommendations provide significant increases for the CIG, State of Good Repair and Buses and Bus Facilities programs. In growing each program, APTA believes that a relative distribution of 40 percent for CIG, 40 percent for State of Good Repair, and 20 percent for Buses and Bus Facilities is the fairest allocation of funding for these three capital investment programs. To achieve this objective, APTA proposes that the Buses and Bus Facilities program grow at a higher rate in the early years of the authorization period.

In Cincinnati, SORTA will need roughly \$25 to \$30 million to get facilities into a state of good repair, which is more than is available in current grant programs. SORTA also depends on the Bus and Bus Facilities Program and the 5339 B competitive program for replacement buses. SORTA is going to need roughly \$44 million over the next 4 years for replacement buses, and another \$54 million for a planned fleet expansion of roughly 102 buses over 4 years.

APTA calls on Congress to increase the capital cost thresholds for the Small Starts program from \$300 million for total project cost to \$400 million and the Capital Investment grants share from \$100 million to \$200 million. For New Start and Core Capacity projects, APTA requests that the time period to complete Project Development be increased from 2 year to 3 years, that the Risk Assessment and the establishment of the Federal share occur during the Engineering phase for New Starts and Core Capacity projects, and that the risk probability for the Risk Assessment be reduced from 65 percent to no higher than 50 percent. APTA also requests that expenditures incurred to comply with National Environmental Policy Act (NEPA) prior to entry into Project Development be counted as local match for the project.

Mobility Innovation and Technology Initiative

APTA calls for the creation of a new Mobility Innovation and Technology Initiative to introduce cutting-edge technologies and integrate new service-delivery approaches and mobility options in the transit marketplace. We need to invest in public transportation innovation that meets the evolving needs of our residents and the places they live. Advances in technology have allowed vehicles to operate with in-

¹ DOT, "Status of the Nation's Highways, Bridges, and Transit, Conditions and Performance" (November 2019) (hereinafter referred to as the "DOT Report").

creased autonomy and efficiencies, and data capabilities enable effortless trip planning and streamlined information sharing. Today, there are more transportation options than ever—commuters may ride a shared scooter to a bus stop or take rideshare to a rail station.²

Our members are redefining mobility in their communities and using technology to ensure greater reliability, expand services, and improve customer experiences. We believe that smart investments in demonstration and implementation projects today will meet the mobility demands of our riders in the future.

As part of the Reinventing Metro plan, SORTA is utilizing technology to examine how to integrate mobility on-demand services with our fixed route service and have installed electric charging stations at our newest transit centers to plan for electric vehicles, as part of our ongoing efforts to continuously evolve to meet the needs of our community and changing technology.

Providing Equity and Opportunity

Public transportation provides a ladder to opportunity for millions of Americans and is one of the most direct ways to address income inequality. One out of five transit users are from households earning less than \$15,000.³ One of the fastest growing job segments in the U.S. is late-shift work that begins between 4 p.m. and 6 a.m. Late-shift workers make 14 percent less than their daytime peers and are more likely to be people of color.⁴ Expanding public transit service to the late shift is critical to increasing workforce opportunities. Although late-shift public transit commuters represent a small share of today's late-shift workforce, they already have a large economic footprint: These workers bring home \$28 billion in wages per year and facilitate an estimated \$84 billion in annual sales. Furthermore, there is significant demand for housing near transit which points to a need for more transit-served communities.⁵

Toward Cleaner Air

Investing in public transit is an investment toward cleaner air. There is a dramatic shift underway in our industry and APTA members are at the forefront of transitioning to cleaner fuel sources.⁶ Currently, more than 56 percent of transit buses use alternative fuels, with more than 17 percent of those vehicles utilizing hybrid-electric technology. Today, there are nearly 300 electric buses in service with hundreds more electric buses on order.

Communities that invest in public transit reduce the Nation's carbon emissions by 37 million metric tons annually. Overall, public transportation saves the U.S. 4.2 billion gallons of gasoline annually. As new and cleaner technologies become available, the public transit industry is poised to lead in adaptation.

There are always challenges to adoption of new technologies. For public transit agencies transitioning to electric buses, these challenges have included larger upfront costs and the range of the vehicles. Public transit agencies are beginning to integrate zero-emission buses into their fleets and are setting goals for 100 percent zero-emission bus fleets in future years. Federal grant programs have been vital resources for public transit agencies nationwide in acquiring new zero-emission vehicles. APTA urges significant funding increases for programs, such as Buses and Bus Facilities competitive grants and Low or No Emission competitive grants, that can support zero-emission infrastructure.

SORTA is currently working on a long-term no emissions strategy and has applied for LowNo grant funding to begin the implementation of a no-emissions fleet, specifically through six no-emissions electric buses and the related infrastructure and charging equipment.

Again, I thank you for your time and consideration on the matter.

² According to The Transformation of the American Commuter, 77 percent of Americans say public transportation is the backbone of a multitransit lifestyle. APTA is leading the charge to support public transportation agencies' efforts to implement innovative mobility management strategies, while utilizing business models originating in the private sector.

³ APTA, "Who Rides Public Transportation" (January 2017).

⁴ APTA, "Supporting Late-Shift Workers, Transportation Needs and the Economy" (September 2019).

⁵ APTA, "The Real Estate Mantra—Locate Near Transit" (October 2019).

⁶ APTA, Public Transit Leading in Transition to Clean Technology (November 2019). Transitioning a fleet to electric buses requires significant work, planning, and negotiation with utilities to ensure that the infrastructure and capacity exist to support the fleet. There are numerous examples of transit agencies adopting these new technologies, each with a different process and relationship with their local utilities and with infrastructure providers.

PREPARED STATEMENT OF JOHN SAMUELSEN

INTERNATIONAL PRESIDENT, TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

APRIL 15, 2021

Good morning, thank you Chairman Brown and Ranking Member Toomey for inviting me to testify before the Senate Banking, Housing, and Urban Affairs Committee.

I speak today on behalf of more than 150,000 members of the Transport Workers Union (TWU) who work in the public transit, airline, railroad, utility, university and services sectors. The TWU's transit locals represent bus and subway workers in and around New York City, Akron, Ann Arbor, Columbus, Houston, Miami, Omaha, Philadelphia, San Francisco, and other cities across the country. Our membership includes over 1,000 bikeshare workers in the Bay Area, Boston, Chicago, Detroit, the New York City area, Portland, Ore., and Washington, DC. We also represent school bus, paratransit, and a variety of other transit services. The TWU is organizing workers across the transportation industry and has had significant successes in the microtransit sector.

I started my career working on the New York City Transit Authority subway tracks in Brooklyn, New York, and I am still a Trackworker on the active Local 100 seniority roster. I am excited by the real possibility of significant investments in public transportation, as shown by the President's infrastructure proposals and congressional efforts. These investments would have an immediate effect on the people who make our transit systems function: bus and train operators, mechanics, signal maintainers, station agents, and others who dedicate their working lives to this industry. As the president of the TWU, their safety and wellbeing are my primary concern.

Public transit is an essential part of communities around the country. Without the local bus, streetcar or subway, many Americans would be unable to go to work, school, the doctor's office or the grocery store. In Columbus, Ohio, the Central Ohio Transit Authority (COTA) had about 19 million annual passengers before the pandemic. In nearby Akron, residents use the METRO Regional Transit Authority to get around their own city and also as far as Cleveland and Canton. Transit is a vital part of small towns and big cities around the country. But underfunding and lack of investment have led to insufficient and unreliable service. I urge you to make large-scale investments to connect our communities and grow our economy for decades to come.

Let me first thank the Committee for your work on the American Rescue Plan, the Coronavirus Supplemental Response and Recovery Act, the Coronavirus Aid, Relief, and Economic Security Act, and the rest of the work you have done during the pandemic to keep transit operating and help workers stay safe. The Federal Government's response to the crisis in public transit saved the transportation industry and ensured that our members can provide essential service across the country. The Members of this Committee have led these efforts. From the bottom of my heart, thank you.

As our country looks beyond the pandemic, reauthorizing the FAST Act and investing in our public transportation infrastructure is one of the most important tasks remaining for this Congress. The TWU believes that we must act now to address the major issues facing our public transportation sector before our systems and our workers face ruin. Transformational investment is needed to ensure our systems achieve and maintain a state of good repair and to expand service to meet demand over the next several decades. Policy change is urgently needed to shape the course of new innovations and to allow our workers to develop and train for jobs with more automation, more electrification, and other technology. Protections are needed more than ever to save transit workers from assaults on the job. And Congress must definitively close the door on bad actors such as Uber and Lyft from accessing public funds without agreeing to meet our existing standards for safety, labor, and other protections.

These are both exciting and challenging times for public transportation workers. Our country has not developed and executed on a long-term plan for how we operate and maintain our transportation infrastructure since President Eisenhower created the national highway system and Presidents Kennedy and Johnson launched the Federal transit program. These landmark acts completely transformed our nation's mobility and created hundreds of thousands of good jobs in transportation and across the economy. Three generations later, we have not modernized that vision and today our communities are suffering from severe neglect and underinvestment.

The pandemic dealt a severe blow to transit workers and our transit systems. Frontline workers have been decimated by COVID—more than 350 transit workers

have died from the virus. The TWU has lost more than 170 members to this disease and over 10,000 have been quarantined. Across the country, transit systems are now evaluating the future of mobility in the wake of the dramatic changes the pandemic has forced on all of us. The decisions Congress makes on infrastructure investment will determine the future health of our cities and towns, the quality of life for transit riders and commuters, and the availability of opportunities for our businesses.

Technology is also altering our transit future as we adopt and implement low- and zero-emission vehicles, micromobility, vehicle and system automations, and many more innovations. It is essential that our elected officials ensure these changes and innovations benefit everyone by sustaining and creating millions of good, union jobs here in our country.

Happily, the largest proponents and drivers of transformational infrastructure investment are also some of America's strongest pro-labor leaders. That includes Chairman Brown, who has spent his career fighting for workers in Ohio and around the country, as well as President Biden, the first president in generations who has so aggressively and publicly supported workers and their unions, and Secretary Buttigieg, who is working closely with us to advance a transformative, worker-centered transportation vision like the one I am advocating for today. Not a day goes by without these leaders commenting on the need to create good union jobs in transportation and beyond. This support for working people includes the President's endorsement of the PRO Act, legislation that would level the playing field for working people and give them a chance to secure a union voice on the job.

This year, Congress is poised to consider the surface reauthorization bill. I hope you will seize the opportunity to invest in a way that will reshape public transportation for the better, just as proposed by the President in the American Jobs Plan and your House colleagues through the Moving Forward Act, which passed that chamber last year. The TWU has enthusiastically endorsed both of these efforts, which would significantly boost funding for our transit systems and allow the benefits of public transportation to reach millions more Americans. President Biden's proposal would invest \$85 billion in public transit and \$2.25 trillion in infrastructure, creating 19 million jobs over 8 years. The plan also calls for investments of \$2 billion in transit worker training and retraining, which is one of my biggest priorities. I urge the Members of this Committee to fight to make sure the final bill advances infrastructure investments that create good union jobs for the people who operate, maintain, build and manufacture every piece of our transportation system.

Public transit has always been an engine for good job creation and a lifeline for workers and their families. If we invest today and deliver a historic bill that is properly focused on equitable access to transit and the creation and retention of good jobs, we will provide family sustaining job opportunities and mobility for millions who have been left behind.

Investing in Public Transit

The TWU strongly supports massive increases in investment into public transit, including the proposals put forward in the Moving Forward Act and President Biden's American Jobs Plan. We know that transit riders are victims of severe underinvestment. Now is the time to move forward and correct this long-term failure to fund both operations and capital projects, as well as to finally invest in the workforce. At a minimum, \$85 billion is needed to expand service, modernize facilities, and connect more people and businesses to transit. These investments are an essential component in revitalizing our national economy and global competitiveness. They will also make our transportation system more equitable for and accessible to marginalized communities, begin to address systemic inequities, and bridge the gap for those who need reliable transit to escape poverty and pursue better job opportunities. Further, these investments will reduce our reliance on single occupancy vehicles and produce concrete and immediate environmental benefits.

Transportation Technology and the Workforce

New developments in transportation technology are creating dramatic shifts in our infrastructure sector. Some of these changes present major threats to the number and quality of jobs in our economy, while others offer opportunities to improve safety and reduce emissions. We cannot blindly endorse all innovations equally when we know that many run counter to the public interest. Transit workers could see real improvements in safety, ergonomics, pay and benefits if pro-worker, pro-rider technologies are elevated with workers in partnership on implementation. The next surface transportation reauthorization must prepare our transit systems for new technologies before they create widespread economic pain. We have the power to control how technology will affect us and what role we want it to play in our future. Investors and big tech companies should not make those decisions for us.

Our members have been at the center of technological change for decades. Life-saving innovations, such as automatic braking, have been implemented and made our operations safer for everyone. But some corporate interests are not focused on improving the safety or accessibility of our transit systems. Many have placed big bets on pieces of technology and are seeking a payoff from the public sector regardless of whether the marketed benefits of their investment are real or in the public interest. Decision-makers must separate the good from the bad and ensure that new innovations create shared prosperity rather than enrich investors selling empty promises.

Transportation technology is rapidly evolving in a variety of areas, including zero emissions vehicles (ZEVs), automated vehicles (AVs), shared mobility, and safety technologies. We need to focus now on the technological changes in the pipeline to ensure workforce readiness. Failure to act now, ahead of any potential negative effects, will lead to mass disruption and dislocation in the transit workforce. With this in mind, the TWU recently released, “New Technologies in Transit Systems”,¹ a white paper that outlines our approach to innovation. In it, we describe four principles that policy makers should apply as they adapt new transportation technology. These principles are:

Transparent Planning and Reporting

Employers should be required to develop a timeline for reporting, budgeting, worker impact analysis, and investment in reskilling of workers prior to implementing new technology that will significantly impact jobs and/or job functions.

Public Safety and Security

New transit technology must have failsafe systems that detect malfunctions and allow for human intervention if the technology breaks down. In transit, on-board operators must remain mandatory, as we know from experience that these workers do much more than drive. There should be rigid and fully enforceable safety standards. New technology that fails to meet existing safety, labor, and environment standards should be rejected.

Workforce Involvement

Worker representatives should be included on all technology-related working groups and committees established by our Government and these groups must address job issues as part of their work. Formal advance notice should be sent to the workforce prior to introducing and implementing a new product or service that will significantly impact jobs and/or job functions. Transit agencies and other employers should be required to create a comprehensive plan to transition or train employees to ensure new jobs created by technology benefit existing workers. Collective bargaining over the terms of implementing new technology should be mandated.

Privacy and Cybersecurity

Clear, uniform, and enforceable safety, security and privacy standards are essential. New technology should be subjected to cybersecurity requirements to prevent hacking and to ensure mitigation and remediation of cybersecurity events. Robust privacy and data collection safeguards for new technology should be required.

These principles, which focus on information sharing, community collaboration, partnership with workers, and prior notice, will help to ensure that technological developments improve local communities, protect critically needed transit services, and improve transit workers’ lives. Most immediately, these principles must guide action on zero-emissions and automated vehicle technology.

Electrification and Zero-Emissions Vehicles

Policymakers are grappling with the challenge of transitioning to zero-emission transportation vehicles and infrastructure over the next few decades. A large coalition of labor organizations, including the TWU, is poised to issue our principles on electrification. We will outline the need for strong Federal leadership to move manufacturers, State and local governments, transit agencies, and the workforce development system toward developing, procuring, and operating hybrid and zero-emission vehicles and infrastructure in a pro-worker manner. Absent this leadership from Congress and the Administration, any widespread adoption of zero-emission vehicles will destroy good, union jobs and harm American workers.

Several core ideas guide these principles:

- Public policies and research, development, and deployment funding must enhance community voices and ensure input from frontline workers at the core of

¹ See, <http://www.twu.org/wp-content/uploads/2021/04/Innovation-White-PaperV2.pdf>.

policy development. A key Government goal of any transition to a new technology must be the creation and retention of good jobs.

- The next generation of vehicles should be made in America with union labor.
- Procurement of new, hybrid and zero-emission vehicles and infrastructure must be transparent and honest. As the transition to the clean energy economy is embraced by transit agencies, trucking and bus companies, motor vehicle and parts manufacturers, and others, the disclosure of plans to the workforce has to happen. Early notice of electrification plans must be provided to the incumbent workforce.
- Existing safety, labor, environmental, accessibility and performance standards cannot be compromised in any transition to new technology. Buy America requirements must be strengthened and enforced. These standards protect the public and our workers from harm, support American jobs, and ensure disadvantaged communities have access to opportunity and our transportation systems.
- The existing workforce must benefit directly from investments in zero-emission infrastructure. Displaced workers must have access to resources for training, apprenticeship and career ladder programs for reskilling the existing workforce and providing them with the first opportunity for new jobs created by the adopting new equipment and infrastructure.

Automated Vehicles

The TWU has long fought against the unchecked and dangerous deployment of fully autonomous transit vehicles. This unproven technology has been temporarily pulled down from many demonstration projects following hazardous safety incidents.² The companies selling this technology have relied on exemptions and waivers from labor, safety and environmental requirements to avoid meeting existing standards—metrics that they cannot attain because AVs are not ready for widespread deployment in the transit sector.

Even if AV transit vehicles were able to safely travel crowded urban environments, transit agencies are unlikely to see any cost benefit as bus operators will still be needed for safety and security. Today, operators not only drive their buses, but also keep order on the vehicle, assist passengers with mobility issues, reroute in response to unexpected obstacles, and respond to emergencies. All of these responsibilities will still be essential in a world with AVs and will require a human worker onboard to accomplish. More importantly, as we have learned all too often from aircraft accidents, the most valuable piece of safety equipment in any vehicle is a well-trained, qualified human operator who can intervene when an automated system fails. Removing a trained bus operator from a commercial vehicle navigating a crowded street at rush hour is a recipe for disaster. The elimination of operators would undermine traffic safety and severely harm the passenger experiences on the vehicle. The Moving Forward Act directly addresses these concerns by prohibiting fully automated vehicles from replacing any existing transit service and requiring transit agencies that pursue large-scale adoption of AVs to create a workforce development plan that can successfully transition transit operators to new roles at their employer.³ This approach is urgently needed to inform the direction that technology firms pursue in their products and we hope the Senate will include this language in any reauthorization bill as well.

The previous Administration embraced a deregulatory philosophy on AVs, which ignored roadway and passenger safety concerns, as well as those from the frontline workforce. For too long, our regulators have played the role of AV cheerleader rather than rulemaker by refusing to make any of the tough decisions that would force the industry to live up to our existing standards. We have called for a policy reboot at DOT, as reflected in several comments we have filed with the agency. The TWU has submitted comments criticizing this wholesale forfeiture of oversight responsibility.⁴ We are pleased to see that Sec. Buttigieg is rethinking this approach with an eye toward improving transportation safety and addressing worker concerns.

²Mark Ferenchik, *The Columbus Dispatch*, “Video Shows Self-Driving Shuttle Stop, Passenger Fall”, March 5, 2020, <https://www.dispatch.com/news/20200304/video-shows-self-driving-shuttle-stop-passenger-fall>.

³Moving Forward Act, H.R. 2, section 2603, 116th Congress (2020).

⁴“Framework for Automated Driving System Safety”, NHTSA-2020-0106, comments submitted April 1, 2021; “Automated Vehicles Comprehensive Plan”, DOT-OST-2021-0005, comments submitted March 22, 2021; “Pathways to the Future of Transportation by the Non-Traditional and Emerging Transportation Technology (NETT) Council”, DOT-OST-2020-0112, comments submitted September 28, 2020; “Motor Carriers Using Certain Advanced Driver Assistance Systems. Hours of Service of Drivers: Pronto.ai, Inc.; Application for Exemption from 49

Ending Assaults on Transit Workers

According to the Transportation Research Board, there is an assault on a transit worker in this country more than once every day. This number relies on the Department of Transportation's very limited definition of "assault" and significantly underestimates the frequency of attacks on bus drivers, subway operators, station agents, and cleaners in our systems. A worker could have their nose broken, be hospitalized for 24 hours, and suffer first degree burns without triggering any mandatory reporting requirements to the Federal Transit Administration (FTA). The pace of these assaults has not fallen over the past year even as transit ridership has declined due to the pandemic. Congress must require immediate action from transit agencies to protect workers from assaults by passengers just as it has for flight attendants and airline customer service agents.

During the last Congress, Senator Van Hollen introduced the Transit Worker and Pedestrian Protection Act which would make important progress in protecting our members from harm. This bill mandates that transit agencies submit risk reduction plans to the FTA that improve transit safety and reduce the number of assaults in their systems. The TWU has strongly endorsed this bill and we want to thank Senator Van Hollen for his leadership on this issue. We urge the Committee to include the latest iteration of the bill in its entirety in any surface reauthorization legislation it considers.

Worker Training

As discussed above, technology is a tool, not a cure-all. Successfully using complicated transit technology requires training. Public transit systems need to make significant investments in worker training to properly implement the innovations we know are coming in the near future. We need to make sure that transit workers are able to transition to new jobs—in the same transit agency and without diminishing job quality and pay—no matter the technology.

Transit agencies spend just 0.66 to 0.88 percent of total payroll on employee training, compared to the average of 4 to 5 percent in many parts of the private sector.⁵ The DOT oversees several workforce development funding programs, which can be helpful, but they generally focus on white collar and university training. This approach is at odds with the reality that the largest workforce skills gaps are among the blue-collar technicians, electricians, and signal operators—professions that do not receive training at 4-year universities. Currently, 80 percent of the FTA's limited workforce funding goes to white-collar roles. That is why we strongly support efforts to create and fund a national transit frontline workforce training consortium that would coordinate the development of materials and training of frontline workers. This consortium should be coordinated by a national organization that has a strong track record of developing standards-based curriculum for the public transportation industry through joint labor-management partnerships involving frontline subject matter experts.

The immediate need for this funding is particularly evident with regard to zero-emissions vehicles. While many of the skills required to maintain, overhaul, and repair electric and hydrogen-fuel cell buses are substantially similar to those for traditional buses, the engine is a very different piece of equipment. The Transportation Learning Center has found a consistent pattern: fewer than 20 percent of working bus mechanics have the skills needed to use a digital voltmeter, the most basic diagnostic tool for electric engines. This problem persists across many transit agencies, even at some large agencies with robust training capacity. Any wide scale adoption of zero-emission buses will result in massive job loss among public transit mechanics unless Congress acts now to provide agencies with the resources needed to train and develop a workforce that can do the work in-house.

Microtransit and Mobility on Demand

The TWU is the only union with significant membership in new mobility technology. We represent more than half of all bikeshare workers nationwide and we are actively organizing workers in all new forms of mobility as a service and mobility on demand operations. These innovative solutions to first-mile/last-mile and low-density transit service should provide good jobs just like the rest of the transit sec-

CFR 395.3(a)(2) and 395.3(a)(3)", FMCSA-2020-0116, comments submitted May 20, 2020; "Ensuring American Leadership in Automated Vehicle Technologies 4.0", DOT-OST-2019-0179, comments submitted April 2, 2020; and "Preparing for the Future of Transportation: Automated Vehicles 3.0", DOT-OST-2018-0149, comments submitted December 3, 2018. See, <http://www.twu.org/regulatory-comments/>.

⁵"Aligning Federal Surface Transportation Policy To Meet 21st Century Needs", U.S. House Transportation Infrastructure Subcommittee on Highways and Transit, Testimony of Transportation Learning Center Executive Director Jack Clark, March 13, 2019.

tor. However, not all new service has been conceived or implemented with rider, community or worker interests in mind. Micromobility operations such as bikeshare projects which connect more people to existing public transit systems and provide good-paying jobs are very different from the parasitic business model of transportation network companies (TNCs).

Bikeshare

Bikeshare, scooters, and other micromobility systems allow individual riders to travel through urban environments over distances or spaces that may not be efficient for buses and trains. When implemented thoughtfully, these services feed riders into existing transit hubs, complementing and expanding the reach of traditional transit service, as well as boosting ridership. Bikeshare is by far the most mature of these modes with a bikeshare system operating in 264 cities and nearly every state of the union.

While bikeshare is clearly a component of public transit, much of the infrastructure required for it is not currently eligible for Federal support. The TWU supports amending the definition of “associated transit improvement” to include bikeshare projects. Doing this would allow transit agencies to continue to expand these systems under existing FTA rules, including Buy America and labor protections, that would help ensure quality jobs in the industry.

Additionally, the TWU supports expanding the commuter tax benefits to include bikeshare commuters so that these riders have access to the same Federal tax incentives given to cars.

Transportation Network Companies

TNCs such as Uber and Lyft pose significant threats to the safety and financing of our public transportation systems. These companies have a demonstrated history of ignoring environmental, labor, safety, and other laws while lobbying for exemptions for themselves.⁶ The TWU has been actively fighting against these companies’ abuse of labor rights and their antiregulation agenda.⁷ This same fight is now playing out as these companies seek access to Federal funding through the FTA.

Today, no TNC exists that meets the statutory definition of public transportation.⁸ This definition has been carefully crafted over decades to ensure safe, equitable, accessible public transit across the country. Additionally, public transit providers who receive Federal funds also have obligations in return for that public investment. Providers must conform with drug and alcohol testing requirements, transit labor protections, equity mandates, accessibility requirements, and a host of other core standards. Transit is a public service and our standards for it must never be lowered at the request of companies seeking to bail out their investors from a loss-making business model.

Thankfully, the Moving Forward Act included strong language to address these concerns while allowing good actors to potentially innovate new shared ride services. Under the House bill, funding for mobility-on-demand projects would be limited to those that increase transit ridership, cut traffic congestion, comply with the Americans with Disabilities Act, and follow the same drug and alcohol testing rules as public transit workers. These requirements are essential to ensuring that TNCs cannot undermine the goals of public transportation or lower vital civil rights protections and safety standards.

Conclusion

Congress has a rare opportunity to correct past mistakes and prepare our country for the future by passing a transformational infrastructure bill now. By getting the policy right on transit investment and innovation, we can ensure that future generations look to this year with the same admiration that we all share for the creation of the interstate highway system and the Federal transit program.

Thank you for the opportunity to present the TWU’s views on these vital issues before this Committee.

⁶“The Costs of Doing Business: Why Lawmakers Must Hold the Ride-Hailing Industry Accountable as They Undermine Their Workers and Play by Their Own Rules”, Transportation Trades Department, AFL–CIO, October 2019, <https://ttd.org/wp-content/uploads/2019/10/The-Cost-Of-Doing-Business-Why-lawmakers-must-hold-the-ride-hailing-industry-accountable-TTD-report.pdf>.

⁷For examples, please refer to the TWU’s comments on TNC regulatory issues, including worker misclassification, at <http://www.twu.org/regulatory-comments>.

⁸49 U.S.C. 5302.

PREPARED STATEMENT OF BETH OSBORNE

DIRECTOR, TRANSPORTATION FOR AMERICA

APRIL 15, 2021

Thank you to Chairman Brown and Ranking Member Toomey for including in this important hearing.

I am the director of Transportation for America, a national nonprofit committed to a transportation system that connects people to jobs and essential services by all modes of travel no matter their financial means or physical ability. We do our work through direct technical assistance to local and State agencies, research and analysis of how the existing transportation system is working, and policy development and advocacy.

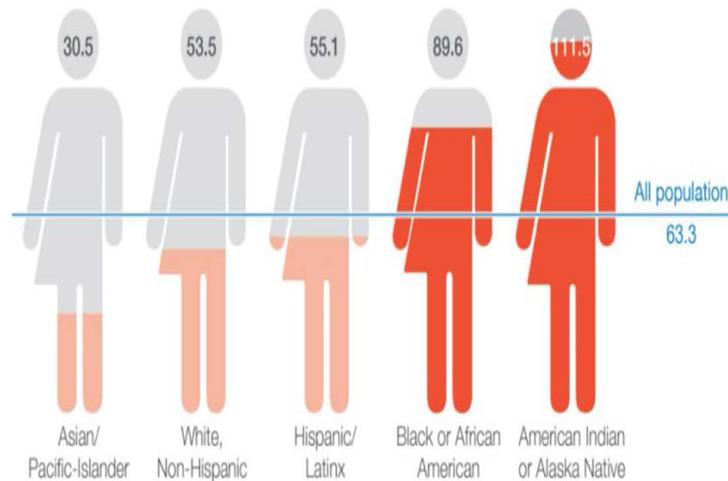
Transportation for America has called for Congress to use the next surface transportation bill to accomplish three things: (1) address the maintenance backlog by adopting a fix-it-first strategy; (2) improve the safety of our roadways by prioritizing safety over vehicle speed; and (3) measure the success of our transportation system based on how well it connects people (in and out of a car) to jobs and essential services.

These three principles are key to creating jobs, both by connecting people to work and for the people who work on the transportation system that takes them there; for reducing climate emissions; and for ensuring equitable access to opportunity. Transit is a crucial component in all of these goals.

Over the last year, Transportation for America and its partners have been excited to see Congress recognize how essential transit is by coming together on a bipartisan basis to keep transit operating for our essential workers through emergency operating funds. Through this act, Congress recognized that everyone is transit dependent. Those of us who can drive to the grocery or the hospital rely on the people that stock the shelves or provide medical treatment who might need transit to get to work. Now we will need to pull together again as we move out of the pandemic to help people get back to work and to build the 21st century transportation system we need.

The transportation system was not efficient, safe, affordable, or equitable before COVID. We had rising fatalities for those outside of a car—a 45 percent increase over the last 10 reported years, 2010–2019. The exposure to danger changes based on race and ethnicity, as our recent Dangerous by Design showed.

Relative pedestrian danger by race and ethnicity
(2010-2019)



Preliminary data from 2020 showed a massive increase in roadway fatalities for people in and out of cars. While traffic levels dropped 13 percent, fatalities increased 8 percent, causing the greatest increase in the fatality rate in 96 years. As traffic dropped, speeding increased because our roadways are built to encourage high-speed vehicle travel. That danger has always been a barrier for transit users, but last year it was more dangerous than ever. And it is a danger that applies equally to people in urban and rural places.

Our transportation system was inequitable before COVID. The lack of reliable transit in the U.S. means low income Americans to spend close to 30 percent of their household income on transportation to get where they need to go. The average American spends only 13 percent. In my neighborhood, Columbia Heights in the heart of Washington, DC, the average household spends 8 percent on transportation due to the close proximity of destinations (like groceries, clinics, schools, restaurants, and retail), the general walkability, and the access to multiple bus lines and rail.

That lack of access to transit and safe walking or biking routes requires people to stretch financially to buy cars, an expensive asset that loses value the moment you buy it, rather than use that money for education, property, or retirement. We aren't just talking about household that might want to be car-free. It is a system that requires a household of 5 people to have 3-4 cars instead of 1-2. At \$8,000 a year to operate a car, that is a heavy financial burden indeed.

Lack of access to a car or reliable transit can be a blockage to work itself. When I was in school in Baton Rouge, LA, I needed a job to help pay my bills. But I could not find a job that I could get to without a car and could not afford a car without a job. The message was clear: if I didn't have thousands to pay the cover charge to enter the U.S. economy, my labor was not needed or particularly wanted. What a ridiculous and inefficient notion—but it is a message we send to millions every day in this country.

Again this is a problem we associate with urban America. Yet according to the latest American Community Survey, the majority of counties with high rates of zero-car households (10 percent or more) are rural. In fact, more than one million households in predominantly rural counties do not have access to a vehicle. Rural Americans without cars face unique barriers and they deserve a tailored approach to their transit needs rather than just assuming they can or will drive everywhere.

COVID has caused many to lose work, and people are struggling to pay rent, mortgages, and car payments. As the economic recovery begins, the number of transit dependent people who we want to help to get back to work will likely only rise. High quality transit will be an important part of ensuring that everyone gets back to work.

COVID also pointed to the folly of our approach to transportation in general. While work trips made up approximately 20 percent of people's trips before the pandemic, nearly all of our focus in transportation was on that 20 percent of trips and those alone. Neither our roadways nor transit is designed to help people get to things like the grocery, school or medical care. Short trips of a few blocks are often too dangerous on foot, whether to the store or to the bus. And transit lines point to downtowns and job centers, not necessarily neighborhood centers.

Retooling to address nonwork trips will require data and resources. Congress could play an important role in both the transit and highway programs by bringing those resources and accountability for transit and highway agencies to serve the 80 percent of nonwork trips. We focus on traffic during rush hour, and this is certainly inconvenient. But it is nowhere near the stress and challenge faced by the parent without access to a reliable car who needs not just to get to work but to drop off and pick up kids from school and drop by the grocery.

The good news is we have ways to truly measure how well our system performs in terms of getting people where they need to go, whether they have access to a car or not. My partners at the State Smart Transportation Institute have published a guide to using GIS and the cloud to compute all potential trips by all modes from homes to jobs and other essential destinations (like groceries, banks, schools, and health care). This analysis can be used to measure performance, identify neighborhoods cut off by infrastructure, areas that need transit, and more. It can also be used to evaluate proposed projects on whether they improve that access. The Commonwealth of Virginia has used this approach as part of their Smart Scale system for years now to determine which projects to prioritize for funding.

Today, instead of using this approach, most transit and highway projects are evaluated using the speed of travel as a proxy for time saved. In transit, it is looked at for the end-to-end user of a line, something few customers do. In highways, it is looked at in terms of travel between two observed points. Neither approach measures anyone's trip from door to door nor whether anyone actually arrives anywhere.

This is another way Congress could play an important role in the next reauthorization. Provide access to the data and tools now available to consider how we can give people, particularly those struggling financially, access to work and essential services by all modes of travel. The Senate bill last Congress provided a pilot for measuring multimodal access. The House bill created a new performance measure. This year, these data could help transit (as well as highway) agencies plan a more holistic transportation system that is equally designed for the 80 percent of nonwork trips and the 20 percent of work trips (which will likely fall). They can also plan for all people whether they travel by car, transit, foot, bike, scooter, or wheelchair.

Long before COVID, our transportation system created problems in air quality, climate emissions, water quality, heat island effect, and more. None of these issues are fully addressed by electrifying vehicles; neither are the inequities or safety problems with the existing program. Let me be clear: electrification is essential and is something Transportation for America supports completely. In fact, we recently helped launch a new coalition called CHARGE that calls for strengthening and growing public transit while rapidly transitioning to electric fleets.

But while electrification is essential, it is insufficient to address climate. In our report *Driving Down Emissions*, we cite several States that have found they need to electrify vehicles and allow people to use cars less to reach their climate goals. California has found that even if the State meets its ambitious target of 15 percent zero emissions vehicles on the road by 2030, people would still need to drive 4.5 fewer miles per day to reach the State's 2030 climate target. Within Minnesota, even assuming a 65 percent onroad EV adoption rate in 2050, Minneapolis needs to reduce driving by 38 percent to meet an 80 percent carbon reduction goal. This is where transit and making roads safer so that people can get to transit becomes so essential.

Finally, it is time to develop a targeted rural transit program. As the Director of the Oklahoma Transit Association Mark Nestlen said in a recent *Vice* article: Congress never sat down at the table and said 'let's develop a rural transit program. What should it look like?' They sat down at a table and said, 'here's the urban transit program. we're going to have everything be the same and just put it in rural.' When you do that, you're going to put a square peg into a round hole.

Last month, Canada's Minister of Infrastructure and Communities and the Minister for Rural Economic Development announced a Rural Transit Fund, which will provide \$250 million over 5 years to help address the transit needs of those living in rural, remote and small communities. Last fall, the State of Oklahoma developed a statewide plan for public transportation that unites urban and rural transit services by laying out mobility priorities for the next 20 years. The plan received input from transit providers across the State and focuses on overall mobility priorities and goals for improving transit service and connectivity. This is the kind of approach to rural transit needed to connect rural Americans to jobs and essential services across the country.

Transit is a major and essential part of reaching our goals for economic recovery, economic opportunity, climate and racial equity. And the country requires a major investment in transit to accomplish these goals—the kind of commitment we made to highways starting in the 1950s. To support this, there are three things to consider in the next reauthorization bill:

- Refocus the Federal transit program to improve transit frequency, reliability, and ridership and expand access to jobs and services in both urban and rural areas. The traditional metrics used to measure a transit system's performance, such as costs per traveler trip or mile, on-time performance, and ridership, do not capture transit's true value to riders and local economies. Transit projects should be evaluated based on how well they get people to the places they need to go, measured through multimodal access. The things that factor into this access are service frequency and reliability; safe access to transit stops; and transit that serves work and nonwork trips alike.
- Fund transit operations in addition to capital projects. As revenue from fares and local tax measures evaporated virtually overnight, the pandemic demonstrated the need for a stable source of funding for transit service in emergencies. Congress came through. Long-term Federal support for transit operations—particularly for greater frequencies, expanded hours and new service—will help agencies deliver the high quality, safe, and affordable public transit service urban and rural Americans need and deserve.
- Rebalance transit funding to match funding for highways. For nearly 40 years, we have stuck to a deal that was made during the Reagan administration to bring transit into the surface transportation program. At the time, the gas tax paid for the whole program, something that has not been true in over a decade.

To make a highway level commitment to providing Americans in large cities, small cities and rural towns alike, it will require a similar funding commitment.

Communities are constantly changing. COVID has caused even more. It is time that we harness that change to make our transportation system more efficient, affordable, equitable, and accessible for everyone.

PREPARED STATEMENT OF BARUCH FEIGENBAUM

SENIOR MANAGING DIRECTOR, TRANSPORTATION POLICY, REASON FOUNDATION

APRIL 15, 2021

Chairman Brown, Ranking Member Toomey, and fellow Members:

My name is Baruch Feigenbaum. I am the Senior Managing Director for Transportation Policy at Reason Foundation, a nonprofit think tank with offices in Los Angeles and Washington, DC. For more than four decades, Reason's transportation experts have been advising Federal, State, and local policymakers on market-based approaches to transportation.

My Credentials on Today's Topic

I am a graduate of the Georgia Institute of Technology with degrees in Public Policy and Transportation Planning with a concentration in Engineering. With Reason, I have authored studies on mobility, highway congestion, transit options, funding alternatives, and innovative financing. I have worked with the States of California, Colorado, Georgia, Michigan, New Jersey, North Carolina, and Pennsylvania as well as numerous counties to implement transportation policy and funding reform. I currently serve on two National Academy of Sciences Transportation Research Board committees: Bus Transit Systems, where I serve as Secretary and Conference Planning Chair, and Intelligent Transportation Systems. Further, I assist the committees on Transportation Revenue and Financing and Metropolitan Planning. My testimony today draws on these experiences.

Overview of Environment

COVID-19 has dramatically changed many aspects of life. While all aspects of transportation have been impacted, no mode has been affected more than mass transit. Ridership on rail transit has decreased 70-90 percent, while ridership on bus transit has decreased a more modest 40-60 percent. Even when COVID-19 subsides, a majority of experts expect transit to recover 90 percent of its riders at most, with some expecting a recovery rate of only 70 percent.

Transit use was on a multiyear decline even before COVID, with only 5 percent of Americans commuting by transit. Yet, according to the Bureau of Transportation Statistics the U.S. spends \$70 billion per year on transit. Transit policy was in need of reform even before COVID, but COVID has made a rethinking of transit critical.

Many commuters in our current environment have substituted working at home for transit. In 2020, 35 percent of all Americans worked from home. In a PricewaterhouseCoopers survey, 83 percent of employers and 71 percent of employees say remote work has been a success. Once COVID subsides, many predict the work at home share will be 20-25 percent.

Due to a combination of COVID and longer-term changes among transit riders, I have the following six recommendations:

1. Prioritize service for transit-dependent riders,
2. Prioritize maintenance and operations over capital expenditures,
3. Adjust quantitative metrics in project evaluation,
4. Fund BRT from the Capital Investments Grants program,
5. Fund transit from the general fund, and
6. Unlock the private market and transit innovation.

Recommendation Number 1: Prioritize Service for Transit-Dependent Riders

The increase in the number of employees working at home has reduced transit ridership. There are two types of riders: transit-dependent riders who do not have easy access to a vehicle and transit-choice riders who do have easy access to a vehicle. Transit-choice riders in fields such as engineering or law have jobs which lend themselves to working at home. Transit-dependent riders in fields such as nursing or technical support have jobs which require being at a specific physical location. Today, since most transit ridership is by dependent and not choice riders, U.S. transit policy should focus on serving transit-dependent riders. And since these riders

are more likely to use buses than rail, U.S. policymakers should focus more resources on bus transit. Over the last 20 years, the largest 30 metro areas have added miles of rail lines, but most of those same metro areas have cut bus service. Yet during the pandemic, bus ridership has recovered far faster than rail ridership.

One component of serving transit-dependent customers is building grid-based networks. Pre-World War II employment was mostly located downtown. As a result, transit networks were designed to feed employees to downtown job centers. However, since World War II, job locations have become more and more suburbanized. As a result, more than 80 percent of metro area jobs are now located outside the central business district. Unfortunately, many transit systems are still designed to funnel employees to the central business district. Grid-like networks more effectively transport employees from suburban residences to suburban job centers. Transit systems with grid-like patterns tend to have more than twice as many boardings per hour as legacy radial systems. Operating expenses with grid patterns are substantially lower while load factors are substantially higher.

The Federal Government should require transit agencies to show that they are meeting the needs of transit-dependent riders before they expend resources on transit-choice riders.

Recommendation Number 2: Prioritize Maintenance and Operations Over Capital Expenditures

Most departments of transportation (DOTs) have adopted a fix-it-first approach for their highways, but many transit agencies are focused on expansion. The local transit agency for the DC metro area, the Washington Metropolitan Area Transit Authority (WMATA), is one example. Rather than focus on rebuilding the existing system, WMATA decided to expand the system, contracting with the Metro Washington Airport Authority to build the Silver Line. Meanwhile the condition of the existing system deteriorated rapidly. Over the course of 3 months in 2016, the system experienced fires 73 times. Currently, trains need to be offloaded regularly because they break down. At any given time, several elevators and numerous escalators are out of service.

And WMATA is not alone; transit agencies in New York City, San Francisco, and Atlanta suffer from similar problems. More troubling, there are approximately 20 light-rail systems that will need major reconstruction in the next 10 years, and these systems have not set aside the resources needed for reconstruction.

The state of good repair metrics, which transit agencies must meet to receive funding for new capital projects, need to be strengthened. I recommend that a minimum of 95 percent of a system be in a state of good repair and that FTA audits the findings for accuracy in order for a system to receive new capital funding.

Federal policy also encourages system expansion over operations. New capital projects can receive an 80 percent Federal share while the share of operating costs is matched at a maximum of 50 percent. This can lead to some perverse incentives. The costs of building the Dallas Area Rapid Transit (DART) and Houston Metro were so high that they were forced to cut bus service. As a result, fewer people took transit after the light-rail lines opened than before they opened. Policymakers should reverse the funding percentage so operations receive up to an 80 percent match and capital costs up to a 50 percent match.

Recommendation Number 3: Adjust the Quantitative Metrics in Project Evaluation

Currently, projects are rated 50 percent on project justification and 50 percent on local financial commitment. The project justification rankings are Mobility Improvements, Environmental Benefits, Congestion Relief, Cost-Effectiveness, Economic Development, and Land Use. Each receives a weighting of 16.66 percent. The local financial commitment ratings are Current Conditions and Commitment of Funds, with each of these receiving 25 percent of the weighting, and Reliability/Capacity receiving 50 percent. Since cost-effectiveness is so critical to a project's success, it should be weighted at 25 percent of the project justification total. Since mobility improvements are the purpose of transit, that category should be weighted at 25 percent as well. The remaining categories would each be weighted at 12.5 percent.

Today, projects are rated high, medium-high, medium, medium-low, or low in both the engineering and full funding grant agreement phases. Projects are required to be ranked medium or better to receive Federal funding. Unfortunately, this has led several projects with funding or ridership limitations to still receive Federal funding. I recommend the minimum project standard for Federal funding be raised to medium-high.

Recommendation Number 4: Fund BRT From the Capital Investment Grants Program

The Capital Investment Grants program is the largest capital funding program. This includes New Starts, Small Starts, and Core Capacity projects. The program funds heavy rail, light rail, commuter rail, streetcars, and fixed route bus rapid transit (BRT), also known as BRT heavy, in which the bus has a dedicated running way. However, it does not fund freeway BRT, where the bus travels in the freeway, or BRT lite, where the bus shares a lane of traffic with cars. Most BRT projects in this country are freeway BRT or BRT lite, since finding space dedicated for BRT running ways is challenging. In its current form, the law encourages project sponsors to choose a more expensive option (BRT heavy) instead of a more cost-effective option (BRT lite or freeway BRT).

Recommendation Number 5: Fund Transit With General Fund Revenue

When Congress passed the prior surface transportation reauthorization, the FAST Act, it transferred \$83.6 billion from the general fund to the Highway Trust Fund. Given the political challenges of increasing the gas tax and the reality that a mileage-based user fee is still being tested, the transfer of additional general funds is likely. And given that funding transit out of the Highway Trust Fund violates the users-pay/users-benefit principle, and the large amount of general fund revenue needed for the surface transportation reauthorization, transit should be funded with general fund revenue while highways are funded with highway user tax revenue.

Recommendation Number 6: Unlock the Private Market and Transit Innovation

Ten years ago if I had predicted the average American would jump into a car with a stranger, I would have been laughed out of this room. But that is exactly what happened with ride-hailing services such as Uber and Lyft. While ride-hailing caused disruption to the taxi industry, the innovation was good for customers. The transit market could benefit from this sort of disruption.

Unfortunately, there are several policies which prevent innovation. The first is the fact that many transit systems are monopolies, which the surface transportation reauthorization should prevent for all systems that receive Federal funding. The second is that many transit agencies are hesitant to contract out service. The Federal Government should encourage transit contracting by requiring agencies that receive Federal funding to receive bids from the private sector. The transit agencies would not be required to contract with the private sector, but they would be required to test the waters to determine if contracting is good policy. Finally, Congress should encourage transit agencies to experiment with smaller vehicles and automation by continuing grant programs for both of these technologies.

Thank you for the opportunity to testify today on transit funding and policy. I would be happy to answer any and all questions.

PREPARED STATEMENT OF DAVID DITCH

RESEARCH ASSOCIATE, GROVER M. HERMANN CENTER FOR THE FEDERAL BUDGET,
THE HERITAGE FOUNDATION

APRIL 15, 2021

My name is David Ditch. I am a research associate at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

Authorization for Federal spending from the Highway Trust Fund expires on September 30 this year. Since the Banking and Urban Affairs Committee's jurisdiction covers the public transportation portion of the trust fund, it has an opportunity to adjust long-standing flaws in Federal policy.

The Highway Trust Fund was originally established in 1956 to pay for construction of the interstate highway system using revenue from the Federal gas tax.¹ Over time, Congress has expanded the eligibility scope of the trust fund to include mass transit, bike paths, sidewalks, streetcars, and other non-highway surface-transportation modes.

The most significant change to the Highway Trust Fund came in 1982, when Congress and the Reagan administration agreed to create a separate fund that diverts

¹Richard F. Weingroff, "Federal-Aid Highway Act of 1956: Creating the Interstate System", Public Roads, Vol. 60, No. 1 (Summer 1996), <https://www.fhwa.dot.gov/publications/publicroads/96summer/p96su10.cfm> (accessed April 12, 2021).

gas tax revenue toward mass transit.² Currently, the shorthand way of describing Highway Trust Fund spending is that highways receive 80 percent, and mass transit receives 20 percent.

Although the transit funding diversion has been the status quo for nearly 40 years, it is worth examining the underpinnings of this policy. I believe that the diversion has created a multitude of problems that legislators should address.

First, the transit diversion represents a significant departure from the “user pays, user benefits” principle, which exists to promote fairness and discourage free riding for one group at the expense of another. While the Federal gas tax is not a perfect user fee, in general it has meant that drivers are paying for the cost of building and operating the national highway system.³ Similar funding mechanisms exist for airports and harbors.

In contrast, mass transit users do not pay into the Highway Trust Fund, which means that the transit account has represented a long-term transfer from automobile users to users of public transportation. It is also a transfer from rural areas to urban areas, since mass transit is not a meaningful part of transportation for rural Americans. Both types of transfers are unfair.

The transit diversion is also a significant factor in the Highway Trust Fund’s growing annual deficit. Between 25 percent and 30 percent of Highway Trust Fund spending does not go to the fund’s original purpose.⁴

Removing diversions to transit and other nonhighway programs would bring the fund close to balance, at which point mild reforms to highway policy could close the gap entirely.

Second, Federal transit funding is wildly disproportionate relative to its share of transportation use.

As of 2019, roughly 5 percent of commuting was done through public transportation, far less than its share of Federal funding.⁵ This is the case despite the high level of total subsidies for transit systems, which derive less than one-third of their funds from user fees on average, especially outside of the New York City metropolitan area.⁶

Federally mandated funding formulas force even highly rural States to send a significant portion of their highway bill allotment to mass transit.⁷ Transit funds are allocated to metropolitan areas above 50,000 people, which means that there are qualifying metro areas in each State. However, the transit needs for a metro area of under 1 million people are extremely limited, which means that residents of low-density States get very little value from transit spending. This exemplifies the folly of one-size-fits-all Federal policies, along with the sorts of problems that come with the Federal Government involving itself in an issue that is relevant at local and regional levels but not nationally.

Disproportionate aid to transit systems was also present in COVID–19 relief legislation. Bills passed in 2020 contained \$37 billion in payments to mass transit systems, which had suffered a sharp drop in fare revenue during the pandemic.⁸ This would have been more than sufficient to cover transit losses in fiscal years (FYs) 2020 and 2021, since revenue from transit users is just over \$20 billion per year, and since COVID–19 did not strike until well into FY2020.⁹

²Jeff Davis, “Reagan Devolution: The Real Story of the 1982 Gas Tax Increase”, Eno Center for Transportation, September 9, 2015, <https://www.enotrans.org/etl-material/reagandevolution-the-real-story-of-the-1982-gas-tax-increase-2> (accessed April 12, 2021).

³Federal spending on highways has overtaken gas tax revenue in recent years. However, on a historical basis, gas tax revenues have exceeded highway spending. The depletion of the Highway Trust Fund was caused primarily by diversions, such as to mass transit. See, David A. Ditch and Nicolas D. Loris, “Improving Surface Transportation Through Federalism”, Heritage Foundation Backgrounder No. 3450, November 12, 2019, <https://www.heritage.org/budget-and-spending/report/improving-surface-transportation-through-federalism>.

⁴Ibid.

⁵United States Census Bureau, “American Community Survey 2019”, Table B08119, <https://data.census.gov/cedsci/table?q=b08119&tid=ACSDT1Y2019.B08119&hidePreview=false> (accessed April 12, 2021).

⁶Federal Transit Administration, “2019 Data Tables”, <https://www.transit.dot.gov/ntd/data-product/2019-datatables> (accessed April 12, 2021).

⁷Federal Transit Administration, “Table 3: FY2019 Section 5307 and 5340 Urbanized Area Formula Appropriations (Full Year)”, last updated August 30, 2019, <https://www.transit.dot.gov/funding/apportionments/table-3-fy-2019-section-5307-and-5340-urbanized-areaformula-appropriations> (accessed April 12, 2021).

⁸Committee for a Responsible Federal Budget, “COVID Money Tracker”, <https://www.covidmoneytracker.org> (accessed April 12, 2021).

⁹Federal Transit Administration, “2019 Data Tables”.

However, Congress then provided an additional \$30 billion to transit agencies in March 2021.¹⁰ That brought the total amount of COVID-19 transit relief to \$67 billion—roughly three full years of user fees. Since user revenue did not drop to zero during the pandemic, this means that transit agencies received a net financial benefit due to the size of the relief payments. Congress should take this fact into consideration when setting funding levels for the mass transit account.

Third, continual large-scale subsidies for transit agencies have turned these agencies into inefficient jobs programs rather than public service providers.

Based on my examination of budgets for major transit agencies, labor costs represent 60 percent to 80 percent of operating expenses. The total cost per employee is staggering in city after city: \$151,000 in New York,¹¹ \$144,000 in Washington, DC,¹² \$120,000 in Philadelphia,¹³ \$187,000 in San Francisco,¹⁴ \$112,000 in Chicago,¹⁵ \$136,000 in Los Angeles,¹⁶ and \$91,000 in Atlanta.¹⁷ Employee compensation at transit agencies is well above average for each of the respective metro areas,¹⁸ and well above average for private sector transportation work.¹⁹

It is important to note that base salaries are not driving the transit-worker compensation premium. Instead, it is overtime pay, defined benefit pension plans, and other fringe benefits that boost compensation to such astonishing levels. The conflict of interest that is present in negotiations between transit-worker labor unions and metro-area officials, coupled with layers of subsidies, has allowed the rapid growth of pension and health-benefit costs to continue unabated for decades.

If transit agencies prioritized self-sufficiency and the needs of customers the way a business does, they would provide better service with the same amount—or a smaller amount—of taxpayer assistance. Reining in the unsustainable growth of fringe benefits would allow room in transit budgets to hire more workers and increase the frequency of buses and trains, which would benefit transit users, or allow budgets and subsidies to shrink, which would benefit taxpayers, or a combination of the two. Instead, transit agencies consistently make politically motivated choices to prioritize high employee compensation.

This pattern was exemplified recently when some transit agencies threatened severe service reductions if they did not receive a new round of Federal COVID-19 relief.²⁰ Rather than adjusting budgets by reforming exorbitant fringe benefits, these agencies chose to maximize public anxiety over service cuts in order to pressure Federal legislators for additional bailouts.²¹ When the bailouts materialized,

¹⁰ Committee for a Responsible Federal Budget, “COVID Money Tracker”.

¹¹ Metropolitan Transportation Authority, “MTA 2021 Adopted Budget”, February 2021, <https://new.mta.info/document/30186> (accessed April 12, 2021).

¹² Operational employees only. See, Washington Metropolitan Area Transit Authority, “FY 2022 Proposed Budget”, <https://www.wmata.com/about/records/upload/Proposed-FY2022-Budget.pdf> (accessed April 12, 2021).

¹³ Southeastern Pennsylvania Transportation Authority, “Fiscal Year 2021 Operating Budget”, <https://planning.septa.org/wpcontent/uploads/2021/02/Operating-Budget-FY2021.pdf> (accessed April 12, 2021).

¹⁴ Bay Area Rapid Transit, “Fiscal Year 2021 Adopted Budget”, <https://www.bart.gov/sites/default/files/docs/FY21%20Adopted%20Budget%20Manual%20Final%2009.23x.pdf> (accessed April 12, 2021).

¹⁵ Chicago Transit Authority, “Public Transit: An Essential Key to Recovery—President’s 2021 Budget Recommendations”, [https://www.transitchicago.com/assets/1/6/FY2021-BUDGET-BOOK-FINAL-\(Online-Version\).pdf](https://www.transitchicago.com/assets/1/6/FY2021-BUDGET-BOOK-FINAL-(Online-Version).pdf) (accessed April 12, 2021).

¹⁶ Los Angeles Metropolitan Transportation Authority, “Fiscal Year 2021 Adopted Budget”, <https://media.metro.net/2020/FY21-Adopted-Budget.pdf> (accessed April 12, 2021).

¹⁷ Metropolitan Atlanta Rapid Transit Authority, “FY2021 Proposed Budget Book”, June 2020, <https://www.itSMARTA.com/uploadedfiles/FY21-Proposed-Budget-Book.pdf> (accessed April 12, 2021).

¹⁸ Bureau of Economic Analysis, “Personal Income by County, Metro, and Other Areas”, 2019, <https://www.bea.gov/data/income-saving/personalincome-county-metro-and-other-areas> (accessed April 12, 2021).

¹⁹ Bureau of Labor Statistics, “Employer Costs for Employee Compensation for Private Industry Workers by Occupational and Industry Group” (December 2020), March 18, 2021, <https://www.bls.gov/news.release/ecec.t04.htm> (accessed April 12, 2021).

²⁰ Justin George, “Here’s What To Know About Metro’s Proposed Service Cuts”, *Washington Post*, December 3, 2020, <https://www.washingtonpost.com/transportation/2020/12/03/metro-budget-cuts-faq/> (accessed April 12, 2021), and David A. Ditch, “Blame Unions for NY Transit Agency’s Deep Red Ink. A Federal Bailout Won’t Fix That”, *The Daily Signal*, December 1, 2020, <https://www.heritage.org/transportation/commentary/blame-unions-ny-transit-agencys-deep-red-ink-federalbailout-wont-fix>.

²¹ Using highly visible service cuts to pressure legislators into approving additional funding is sometimes referred to as Washington Monument Syndrome. See, Daniel J. Mitchell, “The ‘Washington Monument Syndrome’ Backfires in Massachusetts”, *Cato Institute* blog, July 15, 2009, <https://www.cato.org/blog/washington-monumentsyndrome-backfires-massachusetts> (accessed April 12, 2021).

transit agencies were able to avoid making tough choices on compensation, temporarily sustaining the flawed status quo.²²

Another accountability flaw is the nontransparent nature of the gas tax diversion to the mass transit fund. Transit agencies are guaranteed to receive a preset amount of gas tax revenue regardless of how they perform their duties. Since most drivers are unaware of the diversion, they have no incentive to monitor transit performance. This disconnect significantly reduces the incentives for transit agencies to use their funds prudently.

The fourth problem with continuing substantial Federal transit subsidies is the uncertainty surrounding the postpandemic transportation environment.

One of the key purposes of mass transit is providing a transportation option for people to use during daily work commutes, whether they live downtown or in the suburbs.

The COVID-19 pandemic led to a surge in remote work, especially for white-collar jobs that are prevalent in city office buildings. One can reasonably expect that most people who currently work remotely will return to office commutes as vaccinations finally bring the pandemic under control. However, one can also expect a permanent increase in remote work compared to 2019, as some people commute only a few days per week and others hardly commute at all.

This permanent increase in remote work will have a two-fold effect on transit compared to before the pandemic. First, it will directly reduce transit use due to the lower volume of commuters. Second, it will reduce the volume of people who commute by car. This could further reduce transit use if there is a reduction in rush hour traffic congestion, leading some transit users to switch to commuting by car. The question is not whether remote work will reduce the long-term need for transit, but rather the degree of that change.

Considering the problems outlined above, continuing or increasing the status quo of Federal transit subsidies would be a poor use of public funds.

Rather than throwing good money after bad, Congress should use this year's highway bill to promote reforms that will increase the value of Federal transit spending.

The first option would be to provide flexibility to low-density States regarding how much of their Highway Trust Fund allocation they must spend on transit. This flexibility would enable these States to better match their transportation spending with the needs of their residents.

Second, the Federal Government should reduce or eliminate funding for projects to expand transit systems. Since existing transit infrastructure is significantly underused, there is no reason to subsidize expansion.

Third, the Federal Government should eliminate mandates, such as the Davis-Bacon Act and "Buy American" rules, which increase the cost of transit construction projects.²³ Alternately, the U.S. Department of Transportation should be allowed to issue waivers on a project-by-project basis if a State can show that a given regulation will substantially increase the project's cost.

Fourth, the Federal Government should reduce or eliminate the practice of cross-subsidizing users of one mode of transportation at the expense of users of a different mode, especially as it relates to the Highway Trust Fund. This would improve transparency, fairness, and the financial health of the trust fund.

I hope that Members of the Committee will take full advantage of the opportunity they have to reform Federal transit policy with this year's highway bill.

Thank you.

²²David Meyer, "MTA Calls Off Wage Freeze After Biden Signs COVID-19 Stimulus", *New York Post*, March 11, 2021, <https://nypost.com/2021/03/11/mtacalls-off-wage-freeze-after-biden-signs-covid-stimulus/> (accessed April 12, 2021).

²³David A. Ditch, Nicolas D. Loris, and Adam N. Michel, "Highway Bill Reauthorization: Three Do's, Three Don'ts", Heritage Foundation Backgrounder No. 3585, February 18, 2021, <https://www.heritage.org/budget-and-spending/report/highway-bill-reauthorization-three-dosthree-donts>.

**RESPONSES TO WRITTEN QUESTIONS OF CHAIRMAN BROWN
FROM DARRYL HALEY**

Q.1. What can our Committee do to allow the Capital Investment Grants program to build Bus Rapid Transit projects faster in Cincinnati and other cities?

A.1. Thank you for the question. On behalf of the transit industry, there are several changes that the Banking Committee could make to the Capital Investment Grants (CIG) program to facilitate Bus Rapid Transit (BRT) projects moving faster through the CIG evaluation, rating, and approval process.

First, the vast majority of the BRT projects that have been funded by the Federal Transit Administration (FTA) is Small Starts projects. As a Small Start, these projects have a lower capital cost and are considerably less complex as compared to a rail project, whether that be streetcar, light rail, commuter rail, or heavy rail. Yet, the FTA ratings and evaluation process uses the same criteria and requires the development of the same documentation as more complex projects advanced as New Starts. We encourage Congress to expand the use of warrants for all six project justification criteria to simplify the process and lower the cost of preparing the information for FTA to rate and evaluate the projects.

Second, in a related point, Congress should direct FTA to develop project justification criteria specifically for Small Starts projects that reflects their lower cost and comparable impact on land use, economic development, and housing as compared to New Starts. At present, they are held to the same project justification measures as New Starts projects despite their lower cost and lower financial risk to the FTA.

Third, the thresholds for Small Starts projects actually discourage the advancement of BRT projects since project sponsors are automatically in an overmatch situation when the project cost exceeds \$125 million in capital cost since the statute limits Small Starts funding to no more than \$100 million CIG funding. The threshold for total capital should be increased to \$400 million to reflect the increasing cost of projects and CIG share raised to \$320 million to be consistent with the statutory ratio of 80 percent Federal and 20 percent non-CIG funding. These numbers should then be adjusted for inflation based on the construction cost index to keep pace with the capital cost of infrastructure construction projects.

Lastly, I would urge the Committee to amend the statute to allow expenditures incurred prior to entry into Project Development (PD) to count as "local match" for the project when it receives a grant agreement. At present, all expenditures prior to entry into PD are not credited as part of the local investment in a project.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR SINEMA
FROM DARRYL HALEY**

Q.1. Across the country, in both urban and rural areas, transit infrastructure is crucial for Americans to grow the economy and connect families. The CIG program funds transit capital investments, including heavy rail, commuter rail, light rail, streetcars, and bus rapid transit. Many Arizona communities are interested in utilizing

CIG support for transit projects. How can we best ensure that CIG program funds are available to support transit projects in all communities, urban and rural, throughout the country?

A.1. Thank you for the question. Capital Investment Grants provide critical investments for new and expanded subways, light rail, commuter rail, streetcars, and BRT, among others. To best ensure that CIG program funds are available to support transit projects in all communities, urban and rural throughout the country, SORTA stands in support of the recommendation of the American Public Transit Association (APTA) to strongly urge the Committee to conduct a zero-based review of the CIG program to assess all statutory, regulatory, and other administrative requirements.

Unfortunately, the CIG program has shifted from an efficient public transportation capital program that can build good projects while protecting taxpayer dollars to a grant program that has requirements above and beyond that of comparable modes—such as highway grant programs. Today, a CIG project sponsor faces almost 60,000 words of Federal statutory law, regulations, and administrative guidance under the program. Comparatively, a Federal-aid Highway INFRA Grant applicant faces less than one quarter of the statutory language of the CIG program and no specific regulations. These burdensome requirements cause significant delay in project approvals, which result in considerable increases in project costs prior to construction.

Additionally, we ask Congress to reestablish a 40-40-20 capital investment ratio among the CIG, State of Good Repair, and Buses and Bus Facilities program. Historically, Congress allocated funding on a 40-40-20 basis among the CIG, State of Good Repair and Buses and Bus Facilities programs. Our Recommendations provide significant increases for the CIG, State of Good Repair and Buses and Bus Facilities programs. Additionally, Bus and Bus Facilities received a General Fund plus-up for the past 3 fiscal years, while the CIG funds, unlike most of the programs receiving General Fund plus-ups, have been cut during the past several fiscal years. In growing each program, APTA believes that a relative distribution of 40 percent for CIG, 40 percent for State of Good Repair, and 20 percent for Buses and Bus Facilities is the fairest allocation of funding for these three capital investment programs.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR DAINES
FROM DARRYL HALEY**

Q.1. Efficient and effective transit programs are critical in rural States like Montana—and it's not just subways like people see in big cities. Busses and vans are a lifeline for folks without cars to get to and from work or for seniors and the disabled to get to doctors' appointments or to pharmacies to get lifesaving medications.

Do you agree that an effective Federal transit program is critical for rural States and communities?

A.1. Yes, I do agree that an effective Federal transit program is critical for rural States and communities.

Q.2. One thing I hear constantly when talking with various groups is the onerous regulatory and reporting requirements from FTA. In

some cases, this has resulted in additional staff being needed just to deal with meeting these requirements. This is obviously burdensome for a rural community that may not have the resources needed to bring on additional staff.

Do you agree that surface transportation reauthorization should reduce complexities and onerous requirements so that communities are better able to put these dollars to work?

A.2. Yes, I do agree that surface transportation reauthorization should reduce complexities and onerous requirements so that communities are better able to put these dollars to work.

**RESPONSES TO WRITTEN QUESTIONS OF CHAIRMAN BROWN
FROM JOHN SAMUELSEN**

Q.1. President Samuelson, some have suggested that transit agencies could replace current services by partnering with transportation network companies, like Uber or Lyft, to provide service. Do those companies have the long-term interests of riders, communities and workers in mind? What happens if we reduce or break apart our current network of fixed bus routes, and as an alternative, what should transit agencies do to offer more innovative service?

A.1. These transportation network companies have demonstrated that they do not have the interests of the transit community in mind. These companies have a demonstrated history of ignoring environmental, labor, safety, and other laws, leaving destruction in their wake. There is no reason to believe that they would suddenly change their practices and become a positive influence if they are allowed to supplant or replace transit systems.

Our public transit systems are long-term infrastructure investments built over decades to provide dependable service to communities. Dismantling those systems in order to replace them with outsourced ridesharing services would expose communities to a great deal of risk. As a reminder, none of these ridesharing companies have yet to show a profit—they are currently massively subsidized by their investors and seeking to massive subsidies from our Government instead. What happens when these services go bankrupt? Relying on transportation network companies for public transportation is, at best, a short-term patch to real transit needs that would be better addressed by expanding our existing systems.

Instead of outsourcing services like this, transit agencies should follow the lead of systems like COTA in Columbus, Ohio, which has created a dynamic, point-to-point paratransit service staffed by TWU members working for the transit agency. This service provides the same benefits touted by the transportation network companies, but without many of the negative effects those companies bring. COTA was able to make this service happen by actively working with the TWU and our members to address the problems riders were reporting to the frontline workforce. By incorporating the frontline workforce into the project from the start, COTA was able to create new and innovative service that functions better for their riders than Uber could ever hope to.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR SINEMA
FROM JOHN SAMUELSEN**

Q.1. Many small cities have a robust and successful transit system, including several in Arizona. Flagstaff and its Mountain Line is an excellent example of such a city transit system. The Small Transit Intensive Cities Program (STIC), which rewards highly efficient small transit systems, has been incredibly successful over the years. I have a bill to expand that program and support those small cities. Do you support that bill?

A.1. The STIC program has been a great source of funding for smaller cities. The cities that are taking advantage of these funds enjoy many benefits that larger cities cannot access with their Federal investments. These systems, for instance, get to use their Federal funds to support operations while the larger systems are restricted to solely capital projects. All systems should have this kind of flexibility to better serve their communities—large or small.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR DAINES
FROM JOHN SAMUELSEN**

Q.1. Efficient and effective transit programs are critical in rural States like Montana—and it's not just subways like people see in big cities. Busses and vans are a lifeline for folks without cars to get to and from work or for seniors and the disabled to get to doctors' appointments or to pharmacies to get lifesaving medications.

Do you agree that an effective Federal transit program is critical for rural States and communities?

A.1. Absolutely. Public transit, supported by Federal, State, and local governments, is essential for every community.

Q.2. One thing I hear constantly when talking with various groups is the onerous regulatory and reporting requirements from FTA. In some cases, this has resulted in additional staff being needed just to deal with meeting these requirements. This is obviously burdensome for a rural community that may not have the resources needed to bring on additional staff.

Do you agree that surface transportation reauthorization should reduce complexities and onerous requirements so that communities are better able to put these dollars to work?

A.2. The TWU believes that a better way to address these concerns would be to empower the FTA to provide more support for transit agencies to help them plan and manage their responsibilities. We agree that as much money as possible should be going into providing public transportation services. The FTA's requirements are intentionally designed for that to happen in a manner that is consistent with the public interest. If the FTA had more resources, they could potentially provide more support for smaller agencies to help them navigate the process and, ultimately, produce better results for all communities.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR DAINES
FROM BETH OSBORNE**

Q.1. Efficient and effective transit programs are critical in rural States like Montana—and it’s not just subways like people see in big cities. Buses and vans are a lifeline for folks without cars to get to and from work or for seniors and the disabled to get to doctors’ appointments or to pharmacies to get lifesaving medications.

Do you agree that an effective Federal transit program is critical for rural States and communities?

A.1. Absolutely. More than 1 million rural households have no access to a car. Based on the latest American Community Survey (ACS), there are 292 counties in the U.S. where at least 10 percent of households don’t have access to a car, out of 3,142 total counties nationwide. Fifty-six percent of them are majority rural. Rural Americans without cars face unique barriers, and they deserve a tailored approach to their transit needs rather than just assuming they can or will drive everywhere. Rural transit was hit hard by COVID, but it is so underfunded that it is always on the edge. But many areas have created impressive transit service and we can learn from them, including Burlington, NC; Paris, TX; and Washington State. It is time for the U.S. to create a true rural transit program designed to connect people in rural communities to job and service centers. That will require transit that connects spread out communities rather than connected neighborhoods in urban America, but it is something we can do and just as important. It is incredibly frustrating and dismissive when opposition to transit is expressed through statements like “transit is for urban areas” or “rural Americans drive.” What we are really saying is “rural American are on their own.”

Q.2. One thing I hear constantly when talking with various groups is the onerous regulatory and reporting requirements from FTA. In some cases, this has resulted in additional staff being needed just to deal with meeting these requirement. This is obviously burdensome for a rural community that may not have the resources needed to bring on additional staff.

Do you agree that surface transportation reauthorization should reduce complexities and onerous requirements so that communities are better able to put these dollars to work?

A.2. There is an interesting history behind many of these regulations. When problems with the surface transportation are raised, the bipartisan agreement reached is often agreement to apply good Government improvements—to the transit program. That is even true when the problem raised is from the highway program. In fact, over 2017–2018, beyond the regulatory requirements, USDOT required transit agencies to repeat many analyses within a short period of time in an effort to slow deployment.

Congress should stop treating transit as the service funded only as much as they have to so that transit doesn’t closed. It is time for a highway-style commitment in funding, intention and goals to transit.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAPO
FROM BARUCH FEIGENBAUM**

Q.1. How do you propose to ensure that rural transit gets the resources it needs for those who are truly transit-dependent and is not overshadowed by large, urban systems? These systems have often allowed themselves to fall into a state of disrepair and seeking Federal dollars to bring them into a state of good repair is not only fiscally irresponsible but takes away resources from rural communities, like those in Idaho.

Do you agree that support for transit in rural States and areas is an essential part of the transit portion of surface transportation reauthorization?

A.1. I believe that all transit systems should get a proportionate share of Federal transportation dollars. Support for transit in rural States and regions is a critical part of the transit title in the surface transportation reauthorization bill. The funding formula should be based on the number of unlinked transit trips, and the number of miles that transit vehicles travel with passengers. Many rural systems have fewer transit vehicles, traveling longer distances. Therefore, it is important to take distance into consideration.

There are more than 1,000 transit systems nationwide that receive Federal funding, and the majority are small systems with a limited number of routes. While some believe that low-income transit-dependent riders live in urban areas only, many transit dependent riders live in suburban, exurban, and rural areas. In fact, as the economy stagnates in some rural areas, the number of transit dependent rural riders is expected to grow by more than 20 percent.

It is also critical that transit systems receive State and or local support. Mass transit is inherently a local service. In most cases transit systems do not cross State lines, and do not support interstate commerce. As a result, mass transit systems should be funded primarily at the State and local level. Federal funds should be considered a supplement, not the main source of funding.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR DAINES
FROM BARUCH FEIGENBAUM**

Q.1. Efficient and effective transit programs are critical in rural States like Montana—and it's not just subways like people see in big cities. Busses and vans are a lifeline for folks without cars to get to and from work or for seniors and the disabled to get to doctors' appointments or to pharmacies to get lifesaving medications.

Do you agree that an effective Federal transit program is critical for rural States and communities?

A.1. There are almost 1,000 transit systems nationwide that receive Federal funding, and the majority are small systems with a limited number of routes. While some believe that low-income transit-dependent riders live in urban areas only, many transit dependent riders live in suburban, exurban, and rural areas. In fact, as the economy stagnates in some rural areas, the number of transit dependent rural riders is expected to grow by more than 20 percent.

Paratransit, also known as demand response service, plays a critical role in transporting the elderly and those with disabilities to work, the grocery store, and doctor's appointments. Across the country, there are more than 2,000 agencies that provide some level of demand response service. Many are not traditional transit providers but rather community centers, churches, or other non-profit providers.

It is critical that Federal transit support be mode neutral. Currently, many of the mass transit funding formulas are written in favor of major metro areas with large rail systems. Larger metro areas, particularly the six legacy rail regions of New York, Chicago, Washington, San Francisco, Philadelphia, and Boston do have more riders, and these regions should receive more funding. However, metro areas and rural areas that offer bus-only service or demand response service should not be short-changed in the process.

Q.2. One thing I hear constantly when talking with various groups is the onerous regulatory and reporting requirements from FTA. In some cases, this has resulted in additional staff being needed just to deal with meeting these requirements. This is obviously burdensome for a rural community that may not have the resources needed to bring on additional staff.

Do you agree that surface transportation reauthorization should reduce complexities and onerous requirements so that communities are better able to put these dollars to work?

A.2. Transit agencies find regulatory requirements to be one of the most frustrating parts of operations. Using staff members to complete reporting requirements takes resources away from purchasing vehicles and operating service. I believe that the Federal Transit Administration (FTA) should streamline reporting requirements, particularly those for service operation, for agencies that operate only one mode (local bus or demand response service) while keeping more stringent requirements for multimodal agencies.

At the same time, basic transit reporting standards are important. FTA produces the National Transit Database, which is a very comprehensive guide to taxpayer funded transit system across the countries. Any transit agencies that receive Federal funding need to be accountable to taxpayers. For accountability purposes, agencies need to report basic service information including hours of service, vehicles purchased, and number of customers using the service.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR DAINES
FROM DAVID DITCH**

Q.1. Efficient and effective transit programs are critical in rural States like Montana—and it's not just subways like people see in big cities. Busses and vans are a lifeline for folks without cars to get to and from work or for seniors and the disabled to get to doctors' appointments or to pharmacies to get lifesaving medications.

Do you agree that an effective Federal transit program is critical for rural States and communities?

A.1. An effective transportation program for rural communities would be one that provides flexibility to meet the on the ground

conditions, not mandates from Washington. As I stated in my testimony, public transit in urban areas is overly subsidized and far from cost-effective. Public transit for low-density areas requires significantly higher subsidies per user due to the lack of demand as a percent of travel and the logistical challenges caused by the distance between locations.

Developing a robust rural transit program would require an enormous amount of money. Further, rural public transit is not something the Federal Government should be responsible for. Non-profits, State and local governments, and private transportation services are more appropriate for addressing these needs.

Q.2. One thing I hear constantly when talking with various groups is the onerous regulatory and reporting requirements from FTA. In some cases, this has resulted in additional staff being needed just to deal with meeting these requirement. This is obviously burdensome for a rural community that may not have the resources needed to bring on additional staff.

Do you agree that surface transportation reauthorization should reduce complexities and onerous requirements so that communities are better able to put these dollars to work?

A.2. I agree. The Highway Trust Fund is highly convoluted. It requires gathering gas tax revenue from drivers across the country, sending the funds to Washington, DC, then sending funds to State Governments that receive and disburse funds based on formulas. The States must then receive Federal approval for project selection and implementation before work can begin, as projects are subject to Federal rules regarding wages, labor practices, material sourcing, environmental effects, and more. Reducing the burden of Federal project mandates through reforms, consolidations, and eliminations to these rules would necessarily reduce costs and delays for State and local governments, improving the value of Federal infrastructure spending. An even better approach would be to remove barriers to infrastructure funding for private investors and State and local governments (such as the prohibition on highway tolls for most of the country), allowing them to perform the work themselves and cutting the gordian knot of Federal bureaucracy.