

TESTIMONY OF  
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CLEVELAND, OH  
BEFORE THE  
HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE  
ON  
RECOVERY ACT: PROGRESS REPORT FOR  
TRANSPORTATION INFRASTRUCTURE INVESTMENT

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**SUBMITTED BY**



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I have been asked to provide the Committee with testimony regarding Greater Cleveland Regional Transit Authority's (RTA) utilization of funding from the American Recovery and Reinvestment Act of 2009 (ARRA), as well as the future funding issues facing our Authority and industry.

RTA is a multi-modal transit agency that operates buses, heavy rail, light rail, bus rapid transit, paratransit and work access services. Last year RTA was a Lexus World Class Customer Service Award winner and was recognized by APTA as the best large public transit system in North America.

RTA has been allocated a total of \$45.75 million in ARRA funding from two sources, \$34.57 million in Section 5307 Urban and \$11.18 million in Section 5309 Rail Modernization grants. With these funds we were able to close the funding gap for eight projects that were partially funded with existing grants and to fully fund nine additional capital projects that were totally unfunded. We have also dedicated 10 percent of the Urban Grant to operating assistance preserving jobs at RTA.

By filling funding gaps in previous grants, the \$45.75 million in ARRA funds will allow RTA to invest over \$65 million to stimulate the economy.

To date we have awarded 109 contracts on 15 projects valued at \$48.4 million, with \$29.3 million of ARRA funding committed to those projects. We have \$5.3 million of ARRA contracts that are currently in our procurement process, which we expect to award at our December 15, 2009 board meeting. We also note that 22.6 percent of the contract value awarded to date has been to Disadvantaged Business Enterprise companies.

In our latest monthly report to this committee, we have documented that through October 30, 2009, the ARRA program has resulted in preserving/creating 524 job months of labor, with 90,686 labor hours, and \$2.4 million of payroll invoiced on RTA capital projects. This does not include the bus operator jobs preserved at my agency.

The majority of the ARRA projects have been State of Good Repair projects for our rail system, which includes the complete ADA rehabilitations of two rail stations, our rail vehicle overhaul program, rail track improvements and rail crossing upgrades. Other important projects include the construction of a transit center, bridge demolition, utility relocations, and purchase of 35 paratransit vehicles.

The five design projects also underway include rail station rehabilitation, airport tunnel rehabilitation, rail grade crossings, rail track improvements and extensions, and bus corridor transit enhancements.

I will highlight four of the major projects currently in progress. None of these projects would have been possible without the ARRA funding.

Puritas Rail Station Rehabilitation – The 40-year old Red Line Puritas/West 150<sup>th</sup> Street Rail Station was in need of major improvements to address accessibility and functional deficiencies. It is a major westside park-n-ride station that, in addition to serving current transit customers, will provide needed traffic congestion mitigation during a major multi-year highway bridge reconstruction that will begin in 2011. The rehabilitated station will include two entry buildings, a new pedestrian bridge, elevators, expanded parking lot, landscaping and other improvements. Construction bids were received on April 2 of this year, construction contracts were awarded on April 21, and construction started on June 1. The project will be completed by the end of 2010. \$5.3 million of ARRA grants and \$6.3 million of existing grants are funding this project.



East 55th Street Rail Station Rehabilitation - This project will consolidate the track level from two separate platforms, serving our light rail and heavy rail services to a single center-loading platform. The 50-year old existing station consists of canopied stairways and wooden platforms, with little space for passengers to wait. This station serves all three rail lines in RTA's system. Construction bids were received on June 10 of this year, construction contracts were awarded on June 30, and construction started on August 10. The project will be completed in the summer of 2011. \$5.8 million of ARRA grants and \$5.7 million of existing grants are funding this project.



Heavy Rail Rehabilitation Program – This project funds the acquisition of the additional equipment and replacement parts required for the reconstruction of the 40 heavy rail train cars that provide service on the RTA Rail Line. This project is to extend the useful life of these 20-year-old rail cars while improving safety, reliability and comfort for our passengers. Approximately \$3.9 million in material contracts have been awarded to date, and an additional seven contracts are in the procurement process. A unique feature of this program is that it serves as the nucleus of RTA’s apprenticeship training program for rail mechanics. Four instructors are now training and supervising 15 apprentices, who will be fully qualified to fill jobs in our rail shop when this project is completed. Much of this labor is also being reimbursed with \$1.5 million of ARRA funding.



Stephanie Tubbs Jones Intermodal Transit Center – Named in honor of our former Congresswoman, a strong supporter of public transit, this project is very special to me personally. Located at the corner of East 22nd and Prospect Streets, this center, which includes construction of a 2,000 square foot passenger waiting area, approximately 46,000 square feet of staging area and 16 bus bays, will provide a clean, safe and first class busport that will serve over 500 buses and thousands of customers daily. Construction bids were received on July 13 of this year and contracts were awarded on July 28, with the groundbreaking taking place on September 10, which would have been Stephanie’s sixtieth birthday. This facility will be completed in late 2010. \$4.4 million of ARRA grants and \$4.9 million of existing grants, including earmarks supported by Stephanie, are funding this project.



With your indulgence I will spend just one minute on the importance of the ARRA funds that were used for operating assistance. My premise is that every job is not just a job; , some jobs are simply more important than others. Operating funding under ARRA allowed RTA to preserve the jobs of 57 bus operators. But, that's only a small piece of the story. Fulfilling their normal mission, these 57 retained bus operators are bringing thousands of workers to work every day that might not be able to get to work without these bus operators doing their very important jobs. This is a tremendous return on investment!

As we look towards 2010, the picture is not a particularly good one. The economic downturn in Cleveland is severe and is not rebounding. RTA's primary operating funding source, the 1 percent countywide sales tax, is down by over 11 percent, or nearly \$20 million in 2009, as compared to 2008 levels.

Our proposed operating 2010 budget calls for additional service cuts of 12 percent and a fare increase of 50 cents beginning in April 2010, as well as postponing of a number of capital improvement projects. We, like many in the transit industry, are in a difficult financial situation at a time when our customers and the nation need our services more than ever.

We urge you to reauthorize the transportation bill at the highest level of investment possible and to allow greater flexibility to address operational pressures. I know this has been previously discussed, and dismissed, but it is imperative that the issue be revisited once again.

In that regard, let me make a suggestion. Why not allow the cost of fuel by transit systems to be a capitalized expense? Be it electricity to run our trains, or CNG, or clean diesel to run buses, this can be a significant benefit to all transit systems, both large and small, and can help us to get through this recession

The Committee has also requested an update on ARRA investments in public transportation across the country. The Federal Transit Administration (FTA) has obligated 87.6 percent of the available funds: \$7.2 billion for 690 grants. Approximately \$459 million for 55 grants are pending review and approval, leaving only approximately 7 percent of funds remaining for obligation.

ARRA funds have gone towards projects such as rail modernization, new bus purchases (12,000 to date!), renovation and construction of bus facilities, deferred and preventive maintenance, and expansion of light rail lines, to give just a few examples. These investments provide much-needed capital improvements as well as more energy efficient equipment and vehicle upgrades that will save money on energy costs over the long term.

As Congress works to address our nation's economic challenges, additional infrastructure investment must be part of the solution. A recent report published this fall by the Economic Development Research Group entitled the "Economic Impact on Public Transportation Investment" found that every billion dollars of federal investment in public transportation yields 30,000 jobs. APTA recently completed a nationwide survey of public transit systems and has identified more than \$15 billion in transit capital projects that are "ready to go" within the next 90 days. These projects are estimated to support more than 450,000 jobs.

In response to the recent APTA survey, RTA has identified an additional five "shovel ready" capital improvement projects (three rail station rehabilitations, rail bridge rehabilitation and rail track section rehabilitation) totaling \$37.7 million that we could have under construction in 2010 if additional capital funding becomes available.

In addition to the \$15 billion identified for capital projects, the majority of transit systems surveyed stated unequivocally that further federal assistance is required to stave off service cuts and employee layoffs. At RTA, we need an additional \$14.4 million in operating funds to prevent our proposed service cuts and fare increases in 2010.

RTA is not alone - more than 80 percent of public transit systems are dealing with flat or decreased funding from local, regional, and state funding sources this year. Among the transit systems facing decreased funding, nine out of ten were forced to raise fares or make service cuts. This is untenable at a time when more and more people are relying on public transit to go about their daily lives.

The acute need for improving public transportation systems combined with the proven economic benefits of such investments clearly indicate that any legislation designed to create jobs must have a strong public transportation component.