

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION (APTA)
SUBMITTED TO
THE SENATE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION,
HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES
On Fiscal Year 2013 Appropriations for the U.S. Department of Transportation
March 21, 2012

Introduction

Mr. Chairman and members of the subcommittee, on behalf of the American Public Transportation Association (APTA), I thank you for this opportunity to submit written testimony on the Fiscal Year (FY) 2013 Transportation and Housing and Urban Development Appropriations bill as it relates to federal investment in public transportation and high-speed and intercity passenger rail.

APTA's highest priority continues to be the enactment of a well-funded, multi-modal surface transportation authorization bill. We recognize the challenge that the absence of an authorization bill places on the Appropriations Committee, yet we must stress the tremendous needs that persist for public transportation agencies throughout the country, and remind Congress that investment in transportation infrastructure puts Americans to work. Failure to invest will force private sector businesses in the transit industry and other industries to lay off employees and to invest overseas, while increased federal investment addresses the need for much-needed capital investments and the growth of the industry. For the nation's tens of millions of transit riders, any cuts will mean less service, fewer travel options, higher costs and longer commutes. Americans took 10.4 billion trips on public transportation in 2011, a 2.31% increase from 2010 and the second highest annual ridership total since 1957. Only ridership in 2008, when gas rose to more than \$4 a gallon, surpassed last year's ridership, and today gas prices are continuing to rise.

About APTA

APTA is a nonprofit international association of 1,500 public and private member organizations, including transit systems and high-speed, intercity and commuter rail operators; planning, design, construction, and finance firms; product and service providers; academic institutions; transit associations and state departments of transportation.

Overview of FY 2013 Funding Requests

First, let me applaud the Senate for its work on passing the Moving Ahead for Progress in the 21st Century Act (MAP-21), with strong bipartisan support. It has been more than two years since the expiration of SAFETEA-LU, and we are excited to see progress being made towards a new authorization law. However, in the absence of a finalized piece of legislation, APTA continues to look towards existing law, appropriations, and current budget proposals for appropriations request guidance.

It is important that steady and growing investment continue despite economic or fiscal situations, as demand and long-term planning requirements for transportation investment continue as well. In the Obama Administration's FY 2013 Budget Proposal, along with their proposed six-year surface transportation authorization proposal, the President requests \$10.8 billion for public transportation programs in FY 2013 and would additionally include \$50 billion for a one-time

state of good repair investment program, spread across highway and transit programs. The President's proposal also requests \$2.5 billion for high-speed and intercity passenger rail. APTA applauds the President's proposed public transportation budget request.

While we recognize the growing pressures that are impacting general fund budget authority allocations, APTA urges Congress to resist efforts to make further cuts to general fund components of the federal transit program, such as Capital Investment Grants and research, as these are important elements of federal surface transportation investment. In particular, many in the transit industry were particularly concerned about cuts in FY 2012 to the Transit Cooperative Research Program (TCRP), an important program that produces basic research that is used by transit agencies nationwide to improve efficiency, safety and technical capacity.

Finally, we encourage Congress to fund the Rail Safety Technology Grants program (Section 105) of the Rail Safety Improvement Act (RSIA) at a level significantly higher than the \$50 million authorized annually through FY 2013, to assist with the implementation of congressionally mandated positive train control systems. The federal deadline for implementation of positive train control systems is rapidly approaching, and to date, Congress has not provided the necessary funding to support implementation of this important safety program.

The Need for Federal Transit Investment

In previous testimony to this subcommittee, APTA presented the case for increasing federal investment in public transportation. The U.S. Department of Transportation estimates that a one-time investment \$78 billion is needed to bring currently operating transit infrastructure up to a state of good repair, and this does not include annual costs to maintain, expand or operate the existing system. Research on transit needs shows that capital investment from all sources - federal, state, and local - should be doubled if we are to prepare for future ridership demands.

APTA's overall funding recommendation continues to be informed by our recommendations for surface transportation authorization and the estimated federal funding growth required to meet at least 50 percent of the \$60 billion in annual transit capital needs. These levels are intended to support a projected doubling of transit ridership over the next 20 years. It is important to stress that the demand for public transportation and the need for federal leadership will not diminish in the months and years ahead. As gasoline prices continue to increase, Americans are turning to public transportation in record numbers, just as they did in 2008 when gas reached an average price of \$4.11 per gallon. Public transportation is a vital component of the nation's total transportation infrastructure picture, and with ridership projected to grow, dependable public transportation systems will be vital to the transportation needs of millions of Americans. While Congress continues to consider how to proceed on a well-funded, multi-modal surface transportation bill, it remains critically important that annual appropriations bills support both current and growing needs.

Federal Transit Administration Programs

Capital Investment Grants (New Starts) – APTA was pleased to see the Senate continue to support the New Starts program in MAP-21. The New Starts program is the primary source of federal investment in the construction or expansion of heavy rail, light rail, commuter rail, and bus rapid transit projects. The success of these major, multi-year capital projects requires

predictable support by Congress and the FTA. Congress established Full Funding Grant Agreements (FFGAs) to provide this predictability. A continued commitment to federal investment will also influence the willingness of private financial markets to finance public transportation projects and it will help ensure that the bond ratings will remain high and interest rates will remain low.

We urge the Congress to recognize the importance of long-term, predictable funding for all highway and transit programs, including New Starts. APTA believes that the New Starts program should grow at the same rate as the rest of the transit program, as it is essential to enhancing our nation's mobility, accessibility and economic prosperity, while promoting energy conservation and environmental quality.

Formula and Bus and Bus Facilities - APTA seeks to continue funding for existing formula programs, including urban and rural formula, small transit intensive cities (STIC), fixed guideway modernization, and others at a rate consistent with overall FTA funding growth. These formula programs address core needs of our public transportation systems, and deserve the continued support of Congress. APTA has recommended that Congress equitably balance the various needs of the nation's diverse bus systems, including those operated by multimodal agencies. APTA has called for modifying the current Bus and Bus Facilities program to create two separate categories of funding, with 50 percent distributed under bus formula factors, and the remaining 50 percent available under a discretionary program distributed either through Congressional direction or a competitive grants process.

MAP-21, the Senate authorization bill, creates a new structure for State of Good Repair grants with a new formula program (high intensity motorbus state of good repair) that focuses on systems that have a large number of bus rapid transit, express bus or other high intensity bus routes that may no longer qualify for fixed guideway formula funds. The Senate-passed version of MAP-21 also provides a new \$75 million general fund bus discretionary program authorization. The new program provides another source of assistance for bus capital needs beyond the new formula funds the bill makes available, with priority consideration provided to bus-only transit agencies.

Transit Research/Transit Cooperative Research Program (TCRP) – APTA strongly urges the Committee to take a renewed look at the TCRP program and restore funding to previous levels. Funding for the program was cut by 35% in FY 2012 and these cuts are having a significant impact in the production of high-quality, peer-reviewed research that assists transit agencies, their employees and even their governing boards to become more efficient and effective at delivering safe, reliable and dependable transit services. The TCRP is an applied research program that provides solutions to practical problems faced by transit operators. Over the TCRP's 20 years of existence, it has produced over 500 publications/products on a wide variety of issues of importance to the transit community. Research has produced a variety of transit vehicle and infrastructure standards and specifications, as well as a variety of handbooks addressing many relevant subject areas of interest to the transit community.

Federal Railroad Administration Programs

Positive Train Control – A high priority for APTA within the programs of the Federal Railroad Administration (FRA) is the adequate funding of Positive Train Control (PTC) through the Railroad Safety Technology Grants Program, Section 105 of the Rail Safety Improvement Act

(RSIA) of 2008. APTA is very discouraged that no funding was provided for PTC in Fiscal Year 2012. The RSIA requires that all passenger railroads implement positive train control PTC systems by December 31, 2015. The cost of implementing PTC on public commuter railroads alone is estimated to exceed well over \$2 billion, not including costs associated with acquiring the necessary radio spectrum. APTA is urging Congress to significantly increase the authorized levels for implementation of mandated PTC systems.

Our nation's commuter railroads are committed to complying with the PTC mandate and implementing critical safety upgrades. However, both the costs associated with implementing PTC, as well as the challenges associated with a technology that is still under development, are quite substantial. Recognizing the difficulties related to implementing PTC, the House and Senate have both included extensions of the implementation deadline in their respective surface transportation authorization bills. If enacted, the proposed extensions will assist publicly funded commuter railroads in meeting the mandate. However, substantial federal funding is also necessary. Many commuter railroads are being forced to delay critical system safety state of good repair projects in order to install PTC by 2015. Additional funding provided by Congress for the Railroad Safety Technology grants is fundamental to the industry's ability to implement PTC.

High-Speed and Intercity Passenger Rail Investment – Ridership in the overall passenger rail market in the United States has been steadily growing, with commuter rail being one of the most frequently used methods of public transportation for those traveling from outlying suburban areas to commercial centers of metropolitan areas, often to and from places of employment, education, commerce and medical care. The demand for commuter rail service has also remained strong, with ridership on this mode increasing nationally by 2.5 percent in 2011, and six commuter rail systems seeing double digit increases in 2011. As the current political unrest in many oil producing nations continues, more and more commuters are turning to public transportation to escape rising gas prices.

In addition to commuter rail, it is critical that intercity passenger rail become a more useful transportation option for travelers looking for alternatives to high gas prices and congested road and air travel in many corridors. Thirty-two states plus the District of Columbia are forging ahead in planning and implementing passenger rail improvements. It is more important than ever for the U.S. to invest in its infrastructure as the efficient movement of people and goods is essential for sustained economic growth and recovery.

Conclusion

We thank the subcommittee for allowing us to share APTA's views on FY 2013 public transportation and high-speed and intercity rail appropriations issues. APTA looks forward to working with the committee to grow the public transportation program. We urge the subcommittee to invest in making commuter, intercity and high-speed rail safer by fully appropriating the funds authorized in the RSIA and ask Congress to continue investing in a high-speed rail system. This is a critical time for our nation to continue to invest in transit infrastructure that promotes economic growth, energy independence, and a better way of life for all Americans.