

Inaction Will Cost U.S. Economy \$227 Billion

Public transit and highway grants funded from the Highway Trust Fund cannot be made without a surface transportation authorization bill. The current one, MAP-21, expires May 31, 2015. Failure to act could have a \$227 billion economic impact over the next six years and have a devastating impact on public transportation service. There are also various proposals in Congress, such as H.R. 1461 which will eliminate federal funding for transportation and leave it to the states; and H.R. 1551 would take the public transportation program out of the Highway Trust Fund, its current funding mechanism. Such proposals would negatively affect commerce and employment. Public transportation supports the U.S. economy - nearly 60% of public transit trips are work trips. APTA's new web-based tool shows both local and national impacts and can be viewed at su4t.apta.com.

New Public Transit Projects in the Works

In every region of the country, communities are deciding to build and improve public transportation. The existence of an engaged and dependable federal partner has given many the confidence to pursue transformative projects. Proposals such as H.R. 1461 and H.R. 1551 would result in a 43% reduction in capital funds. The role of the federal partner cannot be understated; at least 66 projects and 38,600 buses (representing 57% of the nation's fleet) are at risk around the nation.

The Northeast

The Northeast has some of the largest projects in the nation, in a region that is already a leader in public transportation use. With the loss of a federal program, \$73 billion in economic activity will be lost over a six-year period and more than 11,000 buses may not be replaced. The impact on service may negatively impact strategically important economic centers that depend on public transportation.

The South

The South is one of America's fastest growing regions, and is turning to public transportation as a congestion relief strategy. Losing the federal program will have a \$36.8 billion hit on the southern economy. More than 6,500 buses may not be replaced, making it harder for workers to reach jobs while increasing highway congestion.

The Midwest

The American heartland will also feel the impact from the loss of the federal transportation program. Impacts from the loss of the transit program will result in a \$31.2 billion loss to the regional economy and more than 6,100 buses may not be replaced.

The Far West

Communities in the Far West have made great progress by building strong ties to their business community. Their strategies have enhanced public transit's viability and reduced the cost of public transportation investment. However, even a region that is a leader in implementing public-private partnerships will be negatively impacted from the loss of the federal program. The local economy will take a \$22.9 billion hit, and more than 5,000 buses could be at risk.

The Pacific

The West Coast is home to popular cities that have been successful at creating start-ups while nurturing multinational companies. This innovative economic ecosystem will sustain a \$63.9 billion hit from the loss of the federal transit program and more than 10,000 buses may not be replaced.

Manufacturing Jobs around America

Federal funding for public transportation provides essential support for public transit agencies to buy new buses and trains, and renew infrastructure. Two-thirds of federal public transportation funding pays for capital expenses. Seventy-three percent of state, local, and federal funds for public transit go to supporting private sector jobs.

Figure 1 Bus and Bus Component Manufacturing

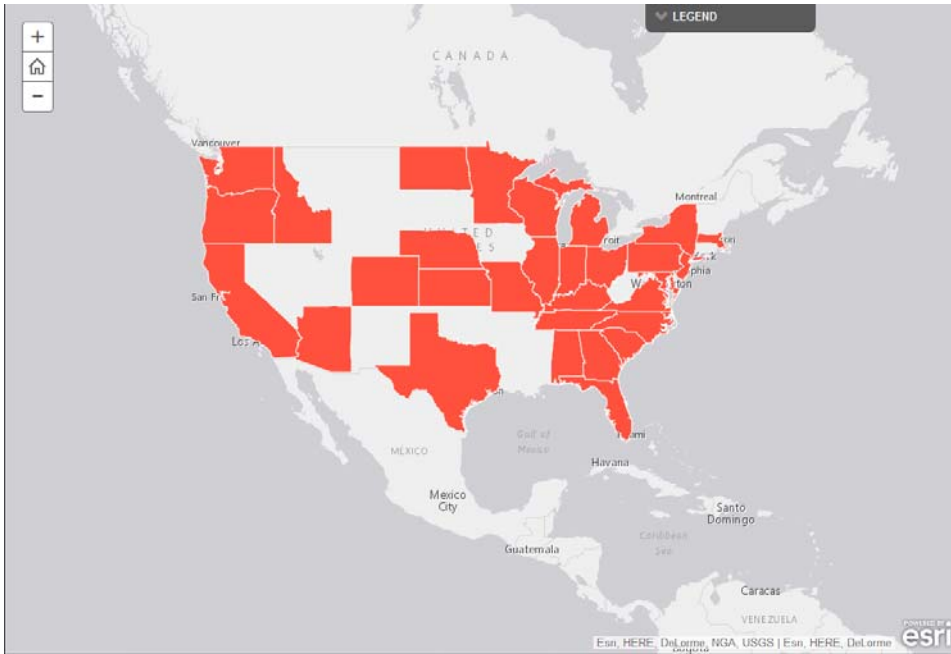
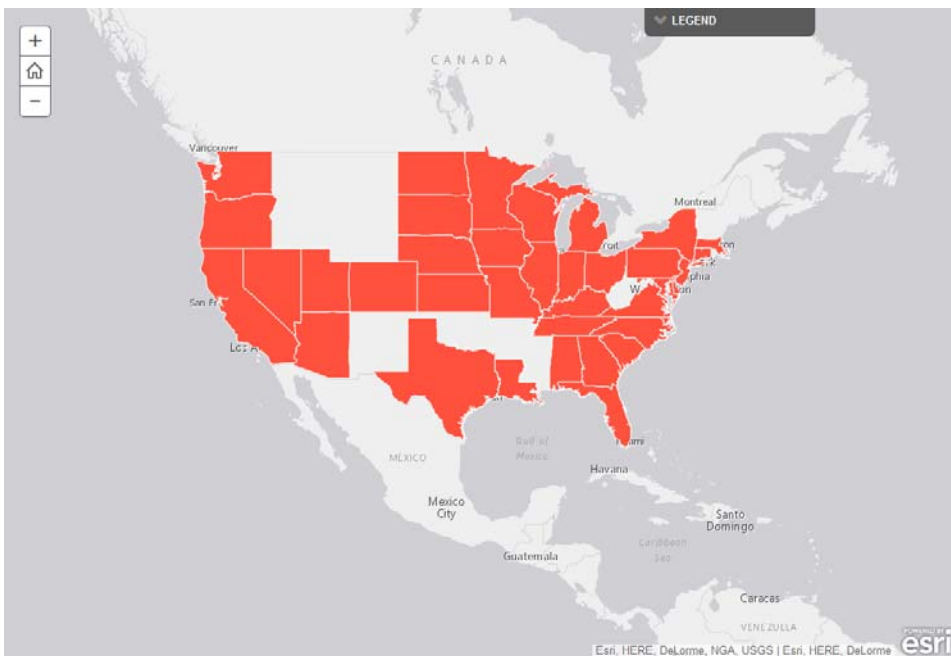


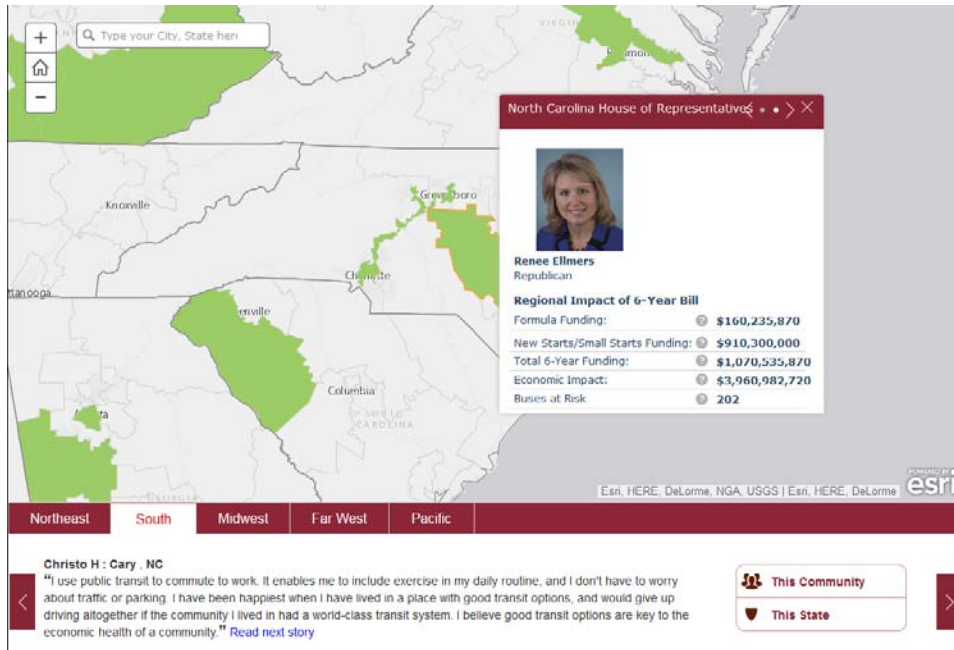
Figure 2 Rail and Rail Component Manufacturing



Communities Tell Their Story

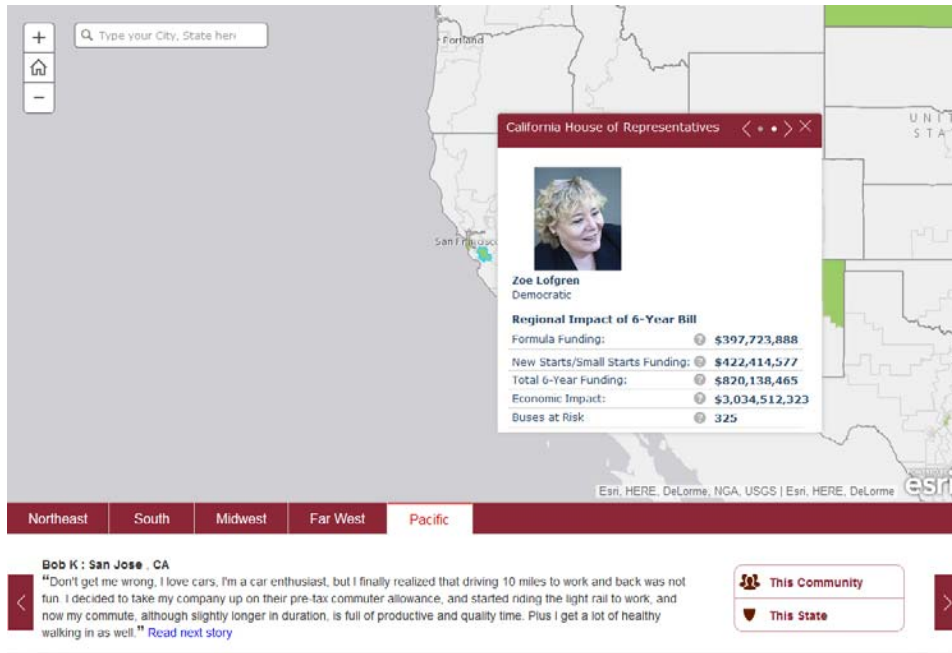
Half of the public transit buses in America are at risk of not being replaced. Many rail systems are at risk of falling further behind on state of good repair work. Voters in communities around the nation have commented on the anticipated impacts to their local economies.

Figure 4 Cary, North Carolina



A voter from Cary, North Carolina says that good transit options are “key to the economic health of a community”. His community has 202 buses that may not be replaced without Congressional action to reauthorize the nation’s surface transportation bill. His local community may suffer a negative \$3.9 billion impact if elected officials fail to act.

Figure 5 San Jose, California



A failure to act will also affect the quality of life for millions of voters. Bob K. from San Jose, California began taking public transit through his company's pre-tax commuter allowance. He now enjoys the fact that he can be "productive and have quality time" while promoting a healthy lifestyle.

Investments in Infrastructure Support Future Growth

If Congress acts to develop a six-year, robust surface transportation bill the resulting impact will be substantial. These impacts are positive and will be widespread across the U.S. economy, affecting small towns and manufacturers that exist in nearly every state in the union. Investment in public transit will enhance productivity in areas that are critical to America's global competitiveness, and it will provide access for millions of Americans. Rarely does public policy offer cross-sector, multi-regional, multi-class benefits in a single initiative. Support for the nation's transportation system is a partnership between local, state and federal governments. However, if Congress fails to act, as this report shows, the negative impact will total at least \$227 billion over the life of an anticipated reauthorization bill.

Glossary

Formula funding: Federal funding for programs based on population, public transit service, and other characteristics, distributed by formula.

New Starts/Small Starts Funding: Pipeline for new public transit projects receiving federal funds. These include new rail and bus rapid transit lines.

Total 6-Year Funding: The total federal transit funding for this region over the course of a 6-year transportation bill.

Economic Impact: The regional economic benefit of six years of federal transit funding.

Buses at Risk: The number of buses that will become older than the FTA's definition of useful life for buses (12 years). When vehicles are operated beyond their recommended useful life, reliability declines, which will negatively impact system operations.

Methodology

The \$227 billion comes from the combined economic impact of public transit service in each urbanized area (UZA) in the U.S. For each UZA, APTA analysts looked at potential federal funding over 6 years for formula programs. APTA also examined New Starts (5309) projects in the pipeline and assigned that federal funding to the appropriate UZAs. The total potential funding over six years was multiplied by the economic multiplier factor of 3.7 to get an economic benefit number for each UZA. Those UZA numbers were then rolled up into state and regional numbers. Those regional totals were combined to reach a national impact of \$227 billion.

Acknowledgements

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The American Public Transportation Association (APTA) is a nonprofit international association of more than 1,500 public and private sector organizations, engaged in the areas of bus, paratransit, light rail, commuter rail, subways, waterborne services, and intercity and high-speed passenger rail. This includes: transit systems; planning, design, construction, and finance firms; product and service providers; academic institutions; transit associations and state departments of transportation. APTA is the only association in North America that represents all modes of public transportation. APTA members serve the public interest by providing safe, efficient and economical transit services and products. More than 90 percent of the people using public transportation in the United States and Canada ride APTA member systems.

APTA Vision Statement

APTA is the leading force in advancing public transportation.