

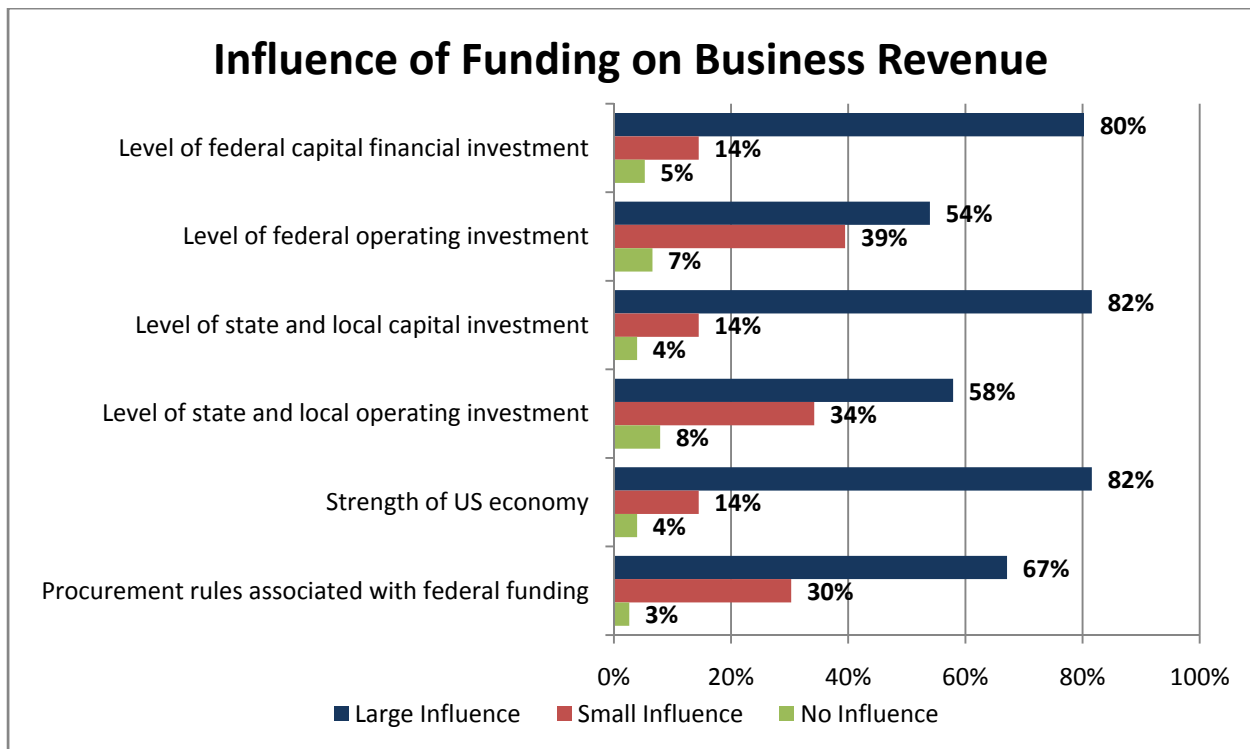
# APTA Business Member Survey: Economic Outlook for 2011

February 1, 2011

In late 2010, APTA surveyed its private-sector business members on how public investments in transportation infrastructure through a long-term federal surface transportation authorization bill, as well as funding from all levels of government, will affect business. The results show that the health of these businesses and the capital they are willing to invest is very much influenced by the certainty of federal, state and local support for public transportation. The survey also reveals that businesses are experiencing negative consequences as a result of the delay in new transportation authorization legislation. More than 700 of APTA's private-sector businesses were surveyed for the report, with a 10 percent response rate. Investment in the public transportation industry creates and supports over 1.9 million public and private sector jobs and is a \$54 billion a year industry.

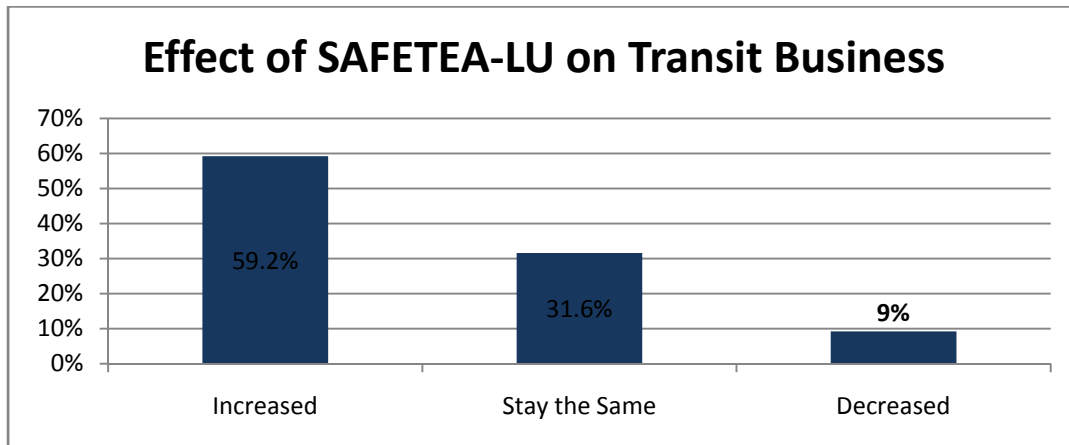
## Business Members Affected by Funding Levels/Economic Strength

Transit industry businesses are significantly affected by changes in the level of investment in transit projects and transit operating agencies. Ninety-four percent indicate that the level of federal investment has an impact on business revenues, with eight out of ten respondents (80%) indicating that it is a large influence. A similar number of respondents (96%) said that the level of state and local capital investment in transit has an influence on their revenue. Business members also report that business is affected by the level of operating investment, though they see somewhat less of a direct connection. Fifty-eight percent responded that the level of state and local operating investment had a large influence on business revenue. About two-thirds (67%) of respondents said that the procurement rules associated with federal funding had a large influence on their revenue.



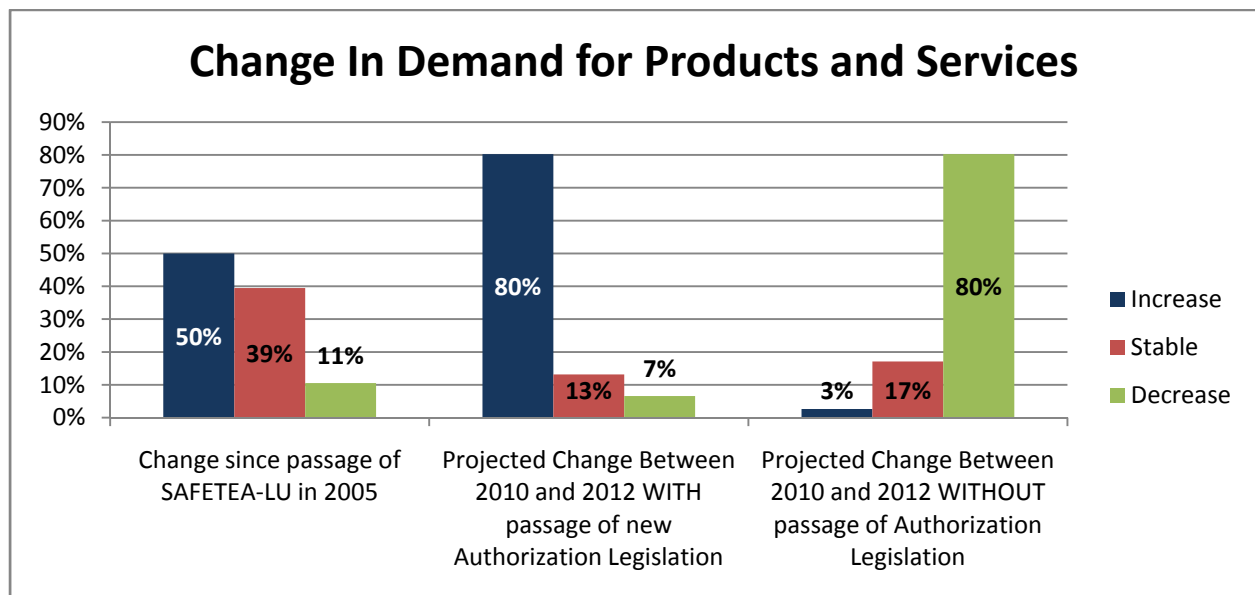
## Previous Authorization Legislation Increased Transit Business

Transportation Authorization provides a stable platform for the transit industry – it outlines the direction of federal funding for a period of several years. Without this knowledge of stable funding, transit businesses find it hard to justify increased investment in the industry. Nearly six in ten (59%) of respondents said that SAFETEA-LU had the effect of increasing their transit business, and 32% responded that the size of their transit business stayed about the same.

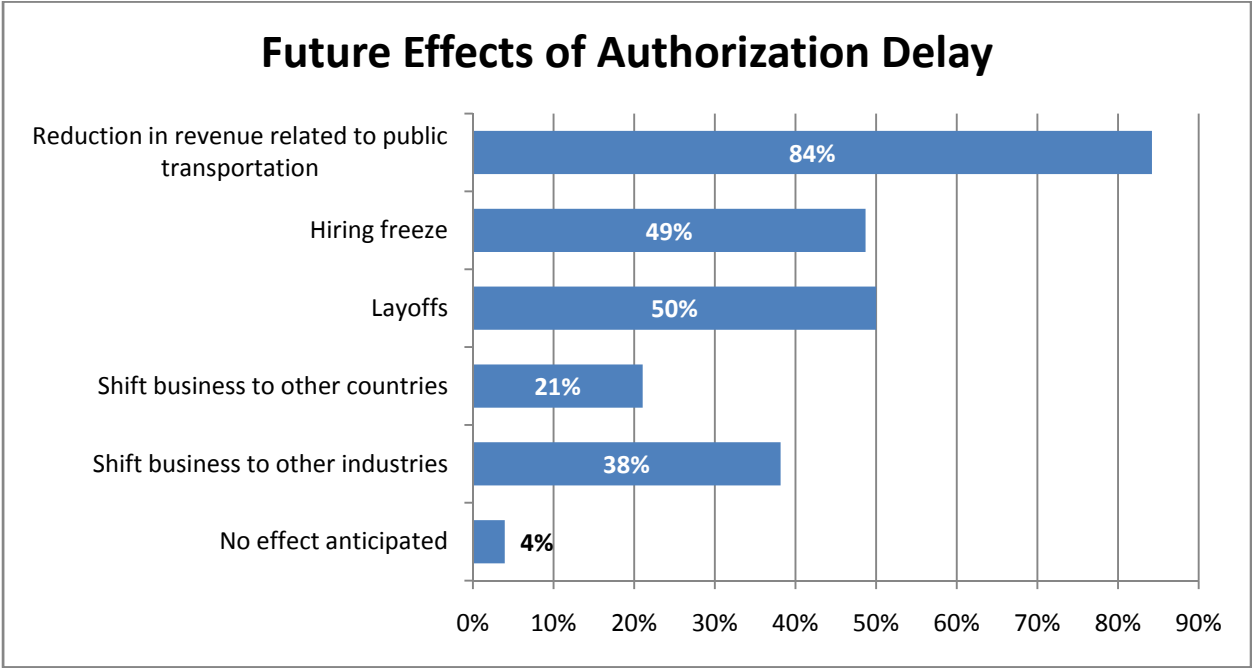


## Lack of New Authorization Legislation Threatens Transit Businesses

Transit industry businesses are also concerned about the effects that the delay in passing long-term transportation authorization is having on their business. Eight out of ten (80%) responded that demand would increase with the passage of new authorization legislation, and the same percentage indicated that without new authorization their business would suffer. Half of respondents (50%) indicated that demand for their business has increased since the passage of SAFETEA-LU in 2005.

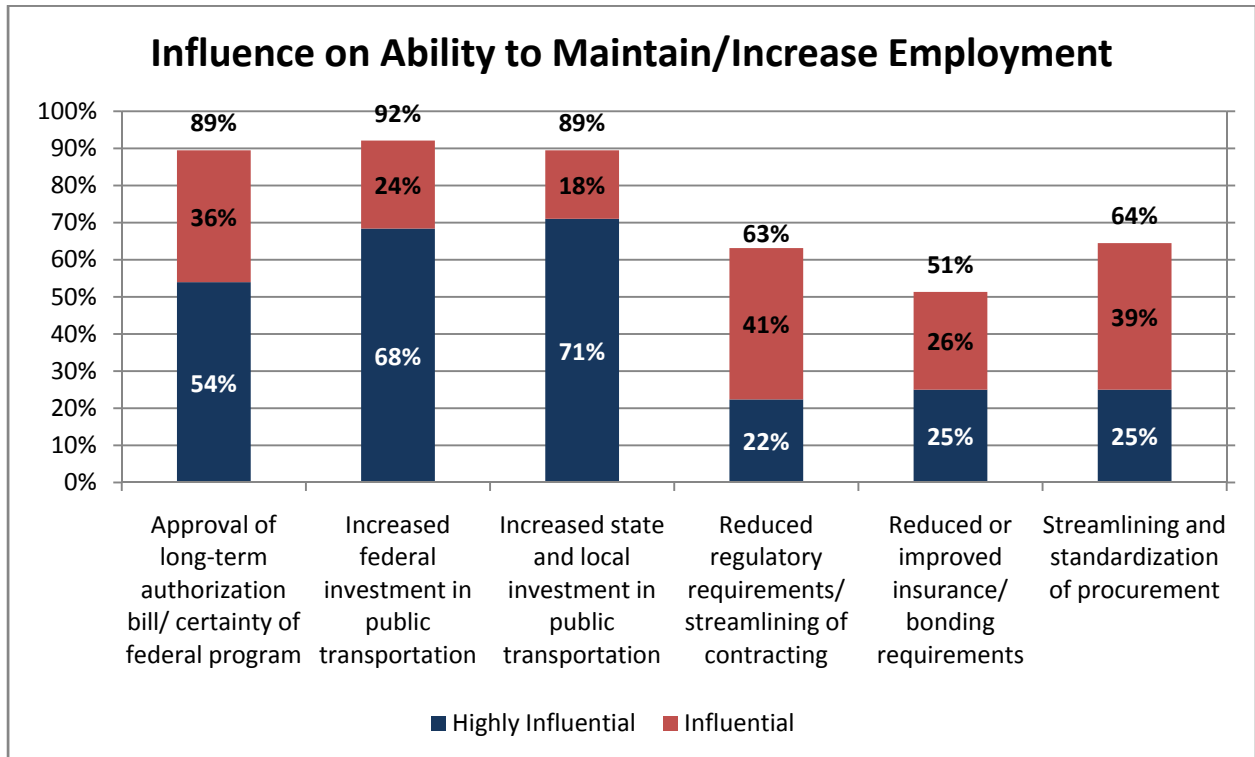


Businesses also indicated that there would be future consequences if the delay in passing new authorization legislation continues. The delay in passing new authorization legislation has created a feeling of uncertainty among public transportation businesses. More than eight in ten (84%) of respondents said that a continued delay will result in a reduction in revenue related to their public transportation business. Nearly half (49%) said that they would have to implement a hiring freeze, and a similar number (50%) responded that they would have to lay off employees. Over a third (38%) of respondents said that they would focus on industries other than public transportation, and over one in five (20%) responded that they would have to shift business to other countries. 4% of respondents said that they would have no effect anticipated.



## Transit Industry Employment

Employment levels in the transit industry are heavily influenced by federal as well as state and local actions. Nearly nine in 10 respondents (89%) said that the approval of long-term authorization bill is influential or highly influential in their business' ability to increase or maintain its employment levels. Similar numbers of respondents said the same thing about increased federal investment in transit (92%) and increase state and local investment (89%). Over six in ten respondents (63%) said that reducing regulatory requirements and streamlining contracting are influential in maintaining or increasing employment levels.



## Conclusion

Long-term authorization legislation is critical to the success of transit industry businesses, and would make a huge difference in overall business climate and confidence levels. Eight out of ten (80%) responded that demand would increase with the passage of new authorization legislation, and the same percentage indicated that without new authorization their business would suffer. The stability of the federal funding program is a crucial part of transit industry businesses' long-term planning efforts on investment and employment in the transit sector. The lack of a new authorization bill is creating uncertainty and may lead in the future to cuts in the industry and job losses.