WHERE PUBLIC TRANSPORTATION GOES COMMUNITY GROWS

APTA

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

As Americans' preferences are shifting toward public transit-centric living, and their hunger for the familiarity and convenience of close-knit communities is increasing, public transportation has never been such an essential part of American infrastructure.

It's a fact: Public transportation drives growth. It attracts development, causing increased property values along its corridors. It connects restaurants to diners, landlords to renters, families to local stores, and employers to employees. It provides a vital connection for people from all walks of life.

As public transportation ridership grows, public transit systems are increasingly strained and in dire need of investment. After years of neglect, the infrastructure that American communities and businesses rely on to grow and prosper is crumbling. Will this continue, or will we seize the opportunity to invest in our infrastructure for long-term growth? Will we seize the opportunity to prepare for our aging baby boomers and a millennial generation demanding multimodal choices?

Residential property values perform 42 percent better on average when they are located near public transportation with high-frequency service.

WHERE PUBLIC TRANSPORTATION GOES COMMUNITY GROWS

Between the public and private companies that form the public transportation industry and the broad economic impact public transportation has on the communities it serves, every dollar invested in public transportation generates four dollars of economic growth. That amounts to billions of dollars and millions of jobs today and even more tomorrow, as we update and improve our nation's infrastructure and build into the future.

For a nation that has always sought out ever-smarter ways to connect and thrive, what's been true for a century is true today: Where Public Transportation Goes Community Grows.

Why We Have a Federal Transit Program

Public transportation provides the connectivity and mobility required for global economic competitiveness, energy efficiency, national security, social equity, economic opportunity, environmental sustainability, and congestion mitigation. It knits together people, communities, and businesses — efficiently, safely, and reliably.

Investment in public transportation is more than just a physical investment in infrastructure; it is a commitment to current and future generations. Federal leadership is essential. It is foundational. States and local communities are increasing their contribution, and they depend on a strong federal partner to achieve their goals. Substantial and sustained federal investment in public transit is an expression of the national will. Americans overwhelmingly support this investment, passing more than 75 percent of ballot initiatives that included funding for public transportation in the last five years.

THE URGENT NEED FOR A NEW LONG-TERM SURFACE TRANSPORTATION BILL

The federal law that governs the nation's public transportation and highway programs – Moving Ahead for Progress in the 21st Century Act (MAP-21) – expires May 31, 2015. As the Highway Trust fund chart to the right depicts, the Highway Trust Fund and Mass Transit Account, which supports public transit and highway programs, will not generate enough revenues to support even current levels. The nation needs a new long-term bill to provide the funding stability that is required to support existing and future public transit and highway projects.

The Next Federal Public Transit Program

Congress needs to authorize a public transportation program that provides strong funding for no less than six years to accommodate the development of long-term, major capital investments. These investments are needed to bring existing public transportation infrastructure and facilities into a state of good repair, expand current infrastructure, support operation and maintenance, and support research, training and policy development to meet growing demand for safe, convenient, and dependable service.

HIGHWAY TRUST FUND PROJECTIONS (IN BILLIONS OF DOLLARS)

Highway Account

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Beginning-of-Year Balance	4	11	*	a	a	a	a	a	a	a	a	a
Revenues and Interest	34	34	35	35	35	35	35	35	35	35	34	34
Intragovernmental Transfers	18	0	0	0	0	0	0	0	0	0	0	0
Outlays	45	46	45	46	46	46	47	48	48	49	49	50
End-of-Year Balance	**11**	*****	**a**	**a**	**a**	**a**	**a**	**a**	**a**	**a**	**a**	**a**

Mass Transit Account

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Beginning-of-Year Balance	2	3	*	a	a	a	a	a	a	a	a	a
Revenues and Interest	5	5	5	5	5	5	5	5	5	5	5	4
Intragovernmental Transfers	4	0	0	0	0	0	0	0	0	0	0	0
Outlays	8	8	8	8	8	9	9	9	10	10	10	10
End-of-Year Balance	**3**	*****	**a**	**a**	**a**	**a**	**a**	**a**	**a**	**a**	**a**	**a**

Cumulative Shortfall (at current revenues and spending levels)

Highway Account	**n.a.**	**n.a.**	**-10**	**-21**	**-32**	**-43**	**-55**	**-67**	**-81**	**-95**	**-110**	**-125**
Mass Transit Account	**n.a.**	**n.a.**	**-3**	**-6**	**-10**	**-14**	**-18**	**-22**	**-27**	**-32**	**-38**	**-43**

* = less than $500 million

a. Under the Congressional Budget Office (CBO) baseline projections, the highway and transit accounts of the Highway Trust Fund (HTF) will end 2015 with balances of less than $500 million. This amount is below what the U.S. Department of Transportation (DOT) considers a minimum prudent balance to make payments to states in a timely manner. If Congress doesn't act to replenish the Highway Trust fund before the authorization for transit and highway programs expires on May 31, 2015, DOT may be forced to begin delaying payments to states this summer. States are facing difficult choices for new transit and highway projects or slowing down payments to contractors. Transit agencies may have to consider implementing procedures for service reductions if Congress does not act soon.

APTA RECOMMENDATIONS

APTA recommends a federal program that would increase authorized spending for public transportation, by the end of a six-year bill, to a level that would support the historic federal share of capital investment and other costs.

These recommendations call for a $100.4 billion federal transit program over six years, which would grow from the current $10.7 billion annual program to $22.2 billion in 2020. They call for a $50 billion investment in intercity passenger rail over the same period.

Investments include buses, rail cars and vans, new rail systems as well as funds to bring the current system into a state of good repair and increase service capacity to meet demand, security enhancements, and other costs.

APTA also recommends the creation of funding resources and programs that support growing investments in intercity and high-speed passenger rail, in a way that complements efforts to increase investments in public transit and other surface transportation needs.

Program Funding

APTA recommends the establishment of a dedicated Trust Fund funding mechanism that supplements existing dedicated revenues that already support the Highway Trust Fund. This would ensure the

Over the last 5 years, voters have approved more than 75% of ballot initiatives that included funding for public transportation.

long-term sustainability of growing federal public transportation and highway programs through and beyond the next long-term authorization bill. Congress should increase current motor fuels taxes to a rate that supports the growth of federal surface transportation programs in the near term to bridge the gap between Highway Trust Fund revenue levels and investment needs until other, more reliable dedicated revenues can be implemented. These revenues should be supplemented by innovative federal financing mechanisms, including federal tax incentives and laws that encourage private sector investment and public-private financing.

Increased Capital Investment

APTA calls for increased federal capital investments in programs for new starts and extensions, state of good repair, and bus and bus facilities. Recognizing that large but infrequent bus rolling stock and facilities acquisitions may not be adequately addressed solely through limited formula distributions, APTA's proposal calls for half of bus and bus facilities funds to be allocated on a discretionary basis. The bus and bus facilities program would be restored to pre-MAP-21 levels in a way that allows growth for the other three major programs.

The proposal aims to provide balanced investments across the federal transit program, reestablishing a 40/40/20 relationship among the New Starts, State of Good Repair (SGR), and Bus and Bus Facilities programs by 2019. It recommends a modest increase in the portion of the SGR program that funds the High-Intensity Motor Bus program and it would expand eligibility for such services on high-occupancy toll lanes. Current project eligibility under the New Starts program should be preserved and include new light and heavy rail, commuter rail, streetcar, bus rapid transit, and core capacity.

Formula Programs

Urban and rural formula programs would be preserved, including the Small Transit Intensive Cities (STIC) program. Operating flexibility for small urban systems and systems with less than 100 buses should be retained. The proposal would distribute funds under the Section 5340 Growing States/High-Density States formula funds under the regular urban and rural formulas.

It would emphasize coordinated planning and the efficient coordination of human services transportation by moving Job Access and Reverse Commute (JARC) funding and eligibility into a Coordinated Access and Mobility Program (CAMP), which would also include the former Elderly and Disabled (Section 5310) and New Freedom (Section 5317) programs. JARC projects would also remain eligible under the formula program. A coordinated regional planning process would be used under the new CAMP program to ensure that funds go to priority needs.

Research, Training, and Standards

The recommendations would also restore predictability to the Transit Cooperative Research Program (TCRP), the Technical Assistance and Standards Development program, and Human Resources and Training. Funding for these programs would be authorized as a set-aside under the formula program at $25 million annually. The relatively small amount of funding for these programs is an excellent investment that promotes common standards and best practices to improve efficiency at all systems and addresses training needs of an increasingly sophisticated industry with an aging workforce. The proposal would also double the portion of federal formula funds that transit systems can use to pay for training and education, and separately authorize $7.5 million annually from the general fund for human resources and training.

Investment Calculations

The annual investment requirement estimate used specifies how many buses, demand response vehicles, and rail vehicles are needed over a six-year period, and what their total cost would be. It also identifies costs for state of good repair spending, new starts and extensions, core capacity projects, and several other project costs. APTA's federal funding recommendations are intended to modernize, improve, and expand on existing public transportation service throughout the nation's communities.

Every $1 communities invest in public transportation, generates approximately $4 in economic returns.

PUBLIC TRANSPORTATION BENEFITS BY THE NUMBERS

Robust investment in public transportation, as outlined by the APTA recommendations in this brochure, annually results in more than a million jobs, generates billions in tax revenue, saves people money, and provides a dramatic boost for the private sector. It helps people make vital connections, creates shorter and less expensive trips for non-public transit users, expands the labor market for employers, and provides Americans the opportunity for upward mobility.

- **$4** – The economic return generated by every $1 invested in public transportation.
- **$3** – The increase in business sales for every $1 invested in public transportation.
- **$66 billion** – The amount per year generated in business sales due to public transportation investment.
- **$9.5 billion** – The amount of tax revenue generated per year.
- **1.1 million** – The number of jobs created or sustained per year.
- **More than 50,000** – The number of jobs created or sustained from $1 billion of federal investment.
- **42%** – The increase in the performance of property values when residences are located near public transportation with high-frequency service.
- **$61 billion** – The annual value of the public transportation industry.
- **400,000** – The number of people directly employed by public transportation.
- **75%** – The percent of ballot initiatives including funding for public transportation that were passed by voters over the last five years.
- **450 million** – Gallons of fuel and 865 million hours in travel time are saved by Americans living in areas served by public transportation.
- **10.8 billion** – The number of trips Americans took in 2014.
- **73%** – The percentage of government funding for public transportation that goes towards supporting hundreds of thousands of private sector jobs.

Whether it's higher property values, greater job opportunities, or shorter commutes – where public transportation goes, community grows.

For more information contact:
Michael Melaniphy, President & CEO
Robert Healy, Vice President, Government Affairs
Brian Tynan, Director, Government Relations
202-496-4800
www.apta.com

The American Public Transportation Association (APTA) is a nonprofit international association of 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.