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A 21st CENTURY TRANSPORTATION SYSTEM: REDUCING GRIDLOCK, TACKLING CLIMATE CHANGE, AND GROWING CONNECTICUT'S ECONOMY

FIELD HEARING

BEFORE THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

ON

EXAMINING THE REFORM OF THE FEDERAL GOVERNMENT'S APPROACH TO TRANSPORTATION POLICY AND BRINGING NEW FEDERAL TRANSPORTATION RESOURCES TO THE STATE OF CONNECTICUT

APRIL 16, 2009

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C O N T E N T S

THURSDAY, APRIL 16, 2009

WITNESSES

A 21st CENTURY TRANSPORTATION SYSTEM: REDUCING GRIDLOCK, TACKLING CLIMATE CHANGE, AND GROWING CONNECTICUT'S ECONOMY

THURSDAY, APRIL 16, 2009

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
New Haven, CT.

The Committee met at 10 a.m., in the Hall of Records, 200 Orange Street, Senator Christopher J. Dodd (Chairman of the Committee), presiding.

OPENING STATEMENT OF CHAIRMAN CHRISTOPHER J. DODD

Chairman DODD. All right. Good evening. Come to order. I want to thank all of you for being here today. We will begin by thanking our witnesses. We'll have two panels this morning of witnesses, and for all of you who gathered in the room here, we thank you as well. I know many of you have a deep and long-standing interest on the subject of public transit, and we're delighted you're here this morning to participate in this formal hearing of the Banking Committee of the U.S. Senate.

The Banking Committee has jurisdiction over a lot of issues. One of them happens to be transit issues, and this year with the what we call the authorization, I'm calling the authorization of the Surface Transportation Bill, which expires in September of this year, the Congress is charged with responsibility of coming up with a new version of that proposal. And so I thought it would be worthwhile to get a good Connecticut perspective on these issues given our locale and the importance of these issues questions and the related issues of congestion, environmental, housing issues that are all associated with the question of transit. It would be worthwhile to hear from folks not only from our State, but those that are involved in our issues that impact our State very directly.

I want to recognize who is in the audience. He won't be able to stay very long with us, but the Attorney General of Connecticut, we thank you very much, Richard Blumenthal is here today. Thank you, Richard, for stopping by this morning as well. The title of our hearing is "A 21st Century Transportation System: Reducing Gridlock, Tackling Climate Change, and Growing Connecticut's Economy" and again my thanks to all of you. I want to recognize Mitch Warren of my staff who is here someplace. Mitch, where did you go?

Mr. WARREN. Over here.

Chairman DODD. Mitch, There you go. Shannon Hines is the staff director for Senator Shelby, my ranking Republican Member and former Chairman of the Banking Committee from Alabama. Richard and I have been great friends for many, many years, and served in the House and in the Senate together and, Shannon, we thank you very much for joining us as well from Senator Shelby's staff this morning.

So I'm pleased we are in New Haven this morning to talk with so many of Connecticut's transportation leaders about how we can improve America's productivity and quality of life by reforming the way the Federal Government approaches transportation policy and bringing new Federal transportation resources to our State.

I want to thank Mayor DeStefano, John DeStefano, for hosting today's hearing and providing this opportunity to use these facilities for this hearing this morning. It's no coincidence that we are holding a transit hearing in New Haven. We are at the heart of Connecticut's transportation system. New Haven is Connecticut's hub city in many ways. It is here where two major interstate highways, I-95 and I-91, converge; where Metro-North and Shoreline East commuter rails start and end, start and end; and Amtrak trains can take you to Vermont or throughout the Northeast corridor; and all of this comes in addition to the State's busiest seaport, the port of New Haven, Tweed New Haven Airport, Greater New Haven Transit, and future plans for a street car, I might add as well. I should also add that this is the home of the world's finest pizzas in the world, for those of you who are not from Connecticut. The Secretary of Housing and Urban Development was here in the State on Monday, and he insisted that he would only come to New Haven if he could have a pizza in New Haven. So we took care of the Secretary's demands.

The people of New Haven, as in cities and communities across our Nation, understand the problems we are facing today. Infrastructure is aging, as all of you know, congestion is worsening as all of you are painfully aware of, and the threat of climate change, of course, is growing as well. When the interstate highway system was created in the 1950s by Dwight Eisenhower, its construction over the next half century quite literally paved the way for decades of growth and prosperity in our country helping to cement our Nation's place as a global economic powerhouse in transforming the economy of the United States.

Today, however, rather than being a catalyst for economic growth, global competitiveness, and a better quality of life, our transportation system, I think we would all agree, has become part of problem rather than the solution. With the deep recession, another 20,000 layoffs that will occur today before the day ends, and every day the people of this State and across the country are insisting on real change. Fortunately, we have an opportunity this year to lay the groundwork for an integrative 21st century transportation system that meets these challenges as the Banking Committee helps write the next Surface Transportation Bill.

As Chairman of the Senate Banking Committee, which has jurisdiction over Federal transit and housing programs, I intend for the Committee to lead the discussion about how we can create a transportation system that doesn't add to our problems but, as we all hope, will help solve them. If anyone can testify to the toll traffic congestion takes on productivity and the quality of life, it is certainly the people of Connecticut.

Connecticut residents spend too many hours, as we all know, as many of you know, sitting in traffic. Those hours aren't spent with their families or at work. They are literally, completely wasted hours given the congestion that occurs in our highway systems. Every year the current Federal Transportation Bill delivers more than $600 million in Federal funding to Connecticut. As critical as that funding is, the people of Connecticut and the country have a right to expect better results from their hard-earned tax dollars. If we want to get our economy moving, then we've got to make the kind of investments that will get us moving, and no investment will be more important than those in public transportation.

Already transit ridership nationally is at record levels. Last year Americans took 10.7 billion trips on our Nation's buses and rail lines. Here at home the New Haven Line had the largest number of customers in Metro-North operation history in 2008, 38 million riders, making it one of the busiest rail lines in the entire country. Public transit saves, and these numbers need to be repeated over and over again to people who question whether or not we are on the right track by pursuing more investment in public transportation.

The public transportation saves over four billion gallons of gasoline annually, and reduces carbon emissions by some 37 million metric tons a year. That's equivalent to the electricity used by almost 5 million households. Transit reduces congestion on our roads, which costs us five times as much as wasted fuel and time as it did only 25 years ago. Despite these obvious benefits, too often over the past half century transit has taken a backseat to funding of our roads and highways. For far too long our Nation's investments and highway capacity were not paired with similar investments in mass transit. In my view that must change.

Public transit is the glue that holds our transportation systems together. As Connecticut is showing, it can be the building block of economic growth for our region. As Members of the Committee, the Banking Committee, know I have been pushing for the development of a new commuter service along the 62 miles of existing rail line between New Haven, Hartford, and Springfield.

As proposed, service along the tri-city corridor would have stops at eight smaller cities and towns creating transit villages linking and revitalizing local economies, integrating local transit systems and commuter rail lines and Amtrak's inner-city service from the seaport. From the seaport of New Haven to the airport in Windsor Locks, we could become truly a transit-oriented State.

I have spoken with Commissioner Marie who is here with us. I want to commend you as well for the tremendous job he's doing. I want to thank Governor Rell as well for having the wisdom to ask you to do this job. He is a strong supporter of this corridor as well, as I think we'll hear this morning. He and Transportation Secretary LaHood, we have talked about the New Haven/Hartford/Springfield line, and my staff has been working closely with ConnDOT, Amtrak, and the U.S. Department of Transportation to make sure that each of these key players is on the same page, and working closely to create commuter rail service and enhance inner-city service to New York and Boston along this corridor. I know that this is also a priority for Commissioner Marie, as I said a moment ago, and I look forward to working closely with him and his staff on this issue as well.

For many communities a critical part of the transportation puzzle is how to creatively put historic structures to use, redevelop land, and spur economic development. We are seeing these types of sustainable developments pop-up throughout Connecticut. In Hartford, plans to develop the historic Colt factory for residential and commercial use is moving forward. The Harbor Point Project in Stamford's south end is a model of transit-oriented development. Another is in the Town of Redding, Connecticut, where the innovative Georgetown Redevelopment Project is currently in the pipeline to create a transit-oriented neighborhood development.

The key is an intermodal transit facility connected to the Danbury branch of the New Haven line within walking distance of 400 residential units, 330,000 square feet of commercial space for restaurants, banks, and retail businesses that are the staples of any vibrant community. In all the project is expected to employ 800 construction workers, and create some 1,500 permanent jobs. Thankfully, we have a strong partner in the Obama Administration, I might add.

Secretary Ray LaHood, the new Secretary of Transportation, is talking about livable communities, and he and HUD Secretary Donovan and myself are closely in sync on these issues. We are closely coordinating with HUD and U.S. DOT on national policy, and I never hesitate to remind them of our needs here in Connecticut as well. I'm confident that our close working relationship on these issues will payoff with the Nation as well and especially, of course, for people here in our home State by reforming transportation policy to create national goals and measure performance by insisting on transparency and accountability; by better coordinating transportation, housing, land use, energy, and environmental policies; and by investing in public transportation.

I firmly believe that we can transform our economy. Instead of being part of that problem, I mentioned at the outset of these remarks our transportation systems literally, not figuratively but literally, can and will be a central part of the solution. The moment has arrived to bring transportation policy into the 21st century, getting our economy moving again, and addressing the challenges we are going to face for decades to come.

Seizing the moment has already begun. As I mentioned, my efforts occurring in cities like New Haven under the leadership of John DeStefano, and other communities in our State. It has started here in New Haven and other communities and I welcome, again, for those of you here this morning, those who will testify, for sharing with us your ideas and thoughts on how can we move forward aggressively to see to it these ideas become actualities in the very near future.

Let me begin by introducing our first panel. I want to thank John DeStefano again for hosting our gathering here. I think all of you in the room know the mayor, elected the first time in 1993, elected seven times to be the mayor of this city, and has done a remarkable job in instigating a number of bike path policies as well as the trolley car system and ways of making greening technology in the city and we shared yesterday a couple of hours in the morning with the new housing project here in New Haven, which was great news for the people of this city as well. So, Mayor, we thank you immensely for what you've done and what you're doing.

Sitting next to the mayor is Joe Marie, who is the Commissioner of Connecticut's Department of Transportation who I referred to already. Recently named the chair of the Standing Committee on Public Transportation for the American Association of State Highway and Transportation Officials. He has worked on transit agencies in Arizona, Minnesota, Pennsylvania, and Massachusetts. Welcome home, by the way, because I know your roots are here in Connecticut and I meant it earlier when I said we have already met a number of times and chatted, and I am very, very impressed, Joe, in what your commitments are to these issues and so we're very fortunate indeed to have you head up this effort in this State and look forward to continuing our working with you.

We are then going to hear from Henry Permut, Howard Permut, rather, who is the President of MTA Metro-North Railroad; next to him is Joe McHugh, who is the Vice President of Government Affairs for Amtrak who is with us; and finally, we're going to hear from Ron Kilcoyne, who is the Chief Executive Officer of the Greater Bridgeport Transit Authority and, Ron, we thank you for joining us as well.

With that, Mayor, we'll begin with you this morning, and by the way, all of your testimony and supporting documents and information I'll make a part of the record, the permanent record of the Banking Committee, so we welcome your thoughts and ideas. Welcome, Mayor.

STATEMENT OF JOHN DeSTEFANO, JR., MAYOR, NEW HAVEN, CONNECTICUT

Mr. DESTEFANO. Chairman Dodd, thank you for holding this here in New Haven. It's good to be up here with my colleagues on the panel and this audience in front of you, and I look forward now to the opportunity to share our experience here in New Haven and to make the case for national support for an integrated and sustainable transportation framework. You know, in so many ways Connecticut land use mirrors the rest of the Nation.

We grew dramatically in our cities with the Industrial Revolution, and over time we settled further and further from the central core, first to the suburbs then to the edge cities. Today over 80 percent of Connecticut workers now drive alone to work, and overall vehicle miles traveled on Connecticut's heavily congested local roads have increased nearly 50 percent from 1986 to 1995.

From a climate change perspective, the cumulative effect of our land use decisions is truly staggering. Transportation accounts for 40 percent of Connecticut's greenhouse gas emissions.

In New Haven I'm pleased to report a far more positive story. Over the past decade New Haven has made terrific strides with dramatic improvements in the health of the people who live here. Community indicators ranging from public safety to education and from economic growth to quality of life indicate positive change and long term sustainability.

The downtown remains strong as evidenced by the 500-unit transit-oriented residential development now under construction at 360 State Street across from Commissioner Marie's State Street rail station. Sustainable transportation systems are one of the many factors contributing to New Haven's success in recent years. In fact, more people live in downtown New Haven than in the downtowns of many larger cities including Denver, Detroit, and Charlotte.

Nearly half of the city's population does not drive alone to work, and by percentage, more people walk to work here in New Haven than in any other New England city including Boston. We do have two passenger rail systems and a major bus system, and many in New Haven simply do not need or want to own a car. Rather on any given day like today you'll see cyclists and motorists and pedestrians all sharing the city streets in a real balance of how streets should be used.

Two of our leading institutions and employers are Yale University and Yale-New Haven Hospital. They are global leaders and this elevates New Haven's measure on itself. Our competitive advantages are in three basic economic sectors here in the city, advanced fabrication, research and development, and higher education. Since these economic sectors are concentrated in the central business district and medical district areas, the city recently released Downtown Crossing, a 20-year development framework for the city.

A focus of that, a central focus of that effort is to reconnect the city and build a critical mass of transit-oriented land use by converting route 34 from a traditional highway to an at-grade boulevard, and from there, to initiate a fixed street railcar system, which will extend pedestrian mobility from the Yale campus to the medical district, and weave together the city seamlessly in a more organic-pedestrian friendly environment.

I would say something about each of the next two things. First, the Oak Street connector, Route 34, was conceived in the 1950s as a link from commuters in the city to the Naugatuck Valley, and was intended to increase traffic volumes. This section of Route 34 between the Air Rights garage and interstate 95 was opened in 1959. Additional right-of-way was acquired to the west, but this section was improved only with a pair of frontage roads.

During the period from project inception in the 1950s to its closure, the Oak Street/Route 34 effort displaced over 880 families and cleared 350 buildings and fractured three neighborhoods. The new concept plan restores these neighborhoods by converting route 34 to a community scale urban boulevard, and by converting excess right-of-way for new homes and businesses. Likewise, the project encourages sustainable transportation systems through a balance of bicycle and pedestrian improvements and public enhancements.

The city intends to complement that effort, second, in cooperation with Yale University, we are proposing a new fixed rail street car line generally along the College Street corridor of the University's central campus. The entire line is four miles connecting the central campus with Yale University and Yale-New Haven Hospital medical district on the other side of the existing Route 34.

The street car project would fill a gap in the local public transportation system. There is no public transportation system currently serving a heavy pedestrian corridor running between the central campus and the medical district. As in Portland, Seattle, and other cities, the street car works from the national model of fixed rail transit in support of high-density mixed use development. In New Haven, new growth is concentrated at the edges of the corridor and at the northern end where Yale is planning to construct two new residential colleges which, when complete, will expand the undergraduate enrollment at the University by about 15 percent. It is also next door to Science Park, where over one million square feet are planned or under construction on the site of the abandoned Winchester Repeating Arms factory.

In summary, I would just point out that here in Connecticut and in the Nation we're faced with decisions on how to reduce congestion and how to dramatically cut greenhouse gas emission. New Haven argues for a sustainable transportation system that accomplishes both objectives. The Committee is encouraged to focus on the goals to compete effectively in the global economy and reduce sustainability of the Nation's greenhouse gas emissions, investing in sustainable transportation systems, particularly ones that link residential neighborhoods with the region's basic economic centers. This is a pathway to reach both those goals.

With that in mind, I want to thank the Chairman for his support of transit-oriented projects, for the opportunity to speak, and for joining us here today in New Haven. Thank you.

Chairman DODD. Thanks, Mayor, very, very much and, again, I thank you for the leadership in the city and demonstrating how this will work. Just having examples where this can happen, I think, becomes contagious; that other communities see what works, and you see them duplicating the efforts that you've made here as well, so I commend you for that effort. Commissioner, thank you for joining us.

STATEMENT OF JOSEPH F. MARIE, COMMISSIONER, CONNECTICUT DEPARTMENT OF TRANSPORTATION

Mr. MARIE. Good morning, Senator Dodd. Thank you very much for convening this hearing. I'm pleased also to be joined with my fellow panelists this morning who we work with very closely on a daily and weekly basis. The reason why we're here is because we have great transportation challenges, but far more importantly, the connection between transportation and the larger economic challenges that confront us all.

Overcoming or transportation challenges is a key to overcoming our economic problems and integral to the well-being of our citizens. What are our challenges? We are a multi-modal Connecticut DOT so let me start a little bit first with our preservation challenges. I know we're here to talk about public transportation, but I wanted to put it in some context for Connecticut and our regional friends.

In Connecticut the average age of our bridges is 50 years old, and many of them are beyond functional obsolescence and some have indeed approached structural deficiency. The density and congestion on the I-95 corridor is considerable. In reality, we cannot expand or grow the capacity on the I-95 corridor, maybe on a marginal basis. This is not just true for Connecticut, but also for our colleagues here in New York.

One bridge program can eat up our State budgets and our State share on major projects. Or many, many years. We have a big project here, the Q Bridge, the Moses Wheeler Bridge that are sucking hundreds of millions of dollars of State money that are integral to the regional success of this great part of country. On the public transportation side, our rail network, we have tremendous ridership gains in recent years. That's not so much a problem but a challenge and an opportunity at the same time to actually continue to grow that ridership. On our Shoreline East lines, ridership is up over 18 percent. On our Metro-North lines we are seeing riderships—we have ridership levels we haven't seen in 50 years and this is a National issues as well. According to APTA, ridership is up to its highest levels in over five decades.

The age of our infrastructure continues to be a challenge, not only our roads and bridges but also for our system's infrastructure. I am talking about the rail track itself, the signal system, the catenary system much of which is here on the corridor is old and reaching that time where it has to be more modernized or replaced. Parking along our rail line continues to be a considerable constraint and chokepoint. The truth of the matter is we are going to add 300 new railcars on our Metro-North system very soon with our friends at Metro-North in partnership with them in New York, but the choking point on the system now appears to be parking, and we are doing as much as we can to deal with that.

We also have a very outdated rail yard here in New Haven that serves not only our commuter rail services to the New York Grand Central terminals, but also serves Shoreline East operations up north to New London and Old Saybrook. On our bus network the average age of our bus fleet is now approaching mid-life crises. We are using some stimulus monies as a down payment to try to bring that average age down, but over the next six to 7 years we'll have to replace 600 buses in the State of Connecticut.

In order to improve and expand our service and connectivity of the modes, we'll need to modernize our bus fleet and also improve the fare collection system on our buses, which is rather old and antiquated. We need to move to a more regionally based smart car type of system in partnership with Metro-North and Amtrak so that we have a truly integrated fair collection system in the Northeast region.

All of these represent not only challenges to the State of Connecticut but this region and also the country. What are we doing about it? First and foremost, we need to make sure that we maintain our systems in good repair. As Senator Shelby at our Senate testimony hearing last March pointed out to us, we must maintain what we have before we can build new, and I think he hits the mark head-on. We need to make sure we maintain our infrastructure in good working order.

In Connecticut we've invested $150 million with the State's Fix It First Program to repair our roads and bridges. We're going to invest hundreds of millions of dollars in the Q Bridge and Moses Wheeler Bridge over the next six to eight, but these represent major drains for us. So for our State in Connecticut where we already have the highest per capita investment in public transportation in the Nation, according to APTA, Governor Jodi Rell and our legislature have led a major public transportation initiative.

We are investing $660 million of State money on new train equipment, which will start arriving later this year from our railcar manufacturer. We'll be investing upwards of a billion dollars on the New Haven rail yard to be able to improve the overall appearance of our fleet and the reliability of our network. We're going to expand service to New London on shoreline running our existing trains that end in Old Saybrook up further north to, east rather, to New London.

We also have ongoing signal and catenary replacement programs. These are not $1 million or $2 million jobs, but the work that we're doing now to replace catenary are $10, $100 million jobs. The job to replace our signaling system not only on our main line but also on our branch lines will cost hundreds of millions of dollars in order to get the system to the point where we can actually expand capacity and increase ridership.

We're also increasing parking opportunities in Fairfield, West Haven, and Branford, and we work closely now with new Haven and Stamford to create transit-oriented development opportunities in New Haven and Stamford. We also have a program in the New Starts Program right now, the New Britain/Hartford busway, which will do well to relieve congestion on I-84. What more can did we do? Let's talk about our preservation challenge.

Last month, when we testified before the Senate, we talked about the state of the big seven rail systems in the country and the infrastructure and capital costs associated with modernizing those systems. It's rather exorbitant. It's going to cost lots of money to get them back into the type of shape we need to have them; and for Connecticut establishing New Haven/Springfield rail services is an absolute priority.

I had a great breakfast with Joe McHugh this morning and 2 weeks ago with Joe Boardman, the new president of Amtrak, to talk about our partnership on that, and I'm very optimistic as we move forward. We have ongoing branch line service and studies where we're seeing great ridership increase on the Danbury, Waterbury, and New Canaan services, but they are fundamentally single-track operations that really require investment in signalization and electrification in order for us to grow ridership on those lines.

The role of the Federal Government, as we go forward particularly as it relates to authorization, you can read my testimony but the numbers are significant. Growing the pot for all of our modes of transportation is critical. Streamlining processes for new starts, no easy answers there, but I think as you heard secretary LaHood testify, the FTA is looking at their procedures, and we're all encouraged by what we are seeing at the FTA level now.

Policies aimed at reducing VMT are important. Policies aimed at performance measures and accountability. We want to be accountable for the monies we spend, particularly taxpayer money. If we are going to invest in the infrastructure, then we need to show a rate of return. Greater balance and equity between the modes of transportation, more investment in public transportation is clearly needed. Public programs aimed at capital improvement and modernization for us and our regional partners would help, and absolutely support of intercity rail programs. Amtrak particularly on the corridor is absolutely vital. We need to assure a strong national carrier and continue our investment with our partner, Amtrak.

Last, before I close, I would like to say that Connecticut is really working hard to spend stimulus monies wisely. We have already obligated much of our money. We continue open bids and as I walked down Constitution Avenue with my family on Monday doing a little visit, we saw the President's motorcade go by, and the President was visiting Secretary LaHood and DOT, and mentioned one of our projects in Connecticut, and we're really proud to see that, and the good news is that bids are coming in lower than we expected, so we're hopeful to be able to do a little bit more with those stimulus monies that we all need. So thank you for having me here today.

Chairman DODD. Did he stop the car and say hello to you?

Mr. MARIE. I think there were many others he was probably interested in seeing him.

Chairman DODD. I'm sure you waved at——

Mr. MARIE. We did, we did.

Chairman DODD. Howard, thank you for being with us.

STATEMENT OF HOWARD PERMUT, PRESIDENT, MTA METRO-NORTH RAILROAD

Mr. PERMUT. Thank you. Good morning, Chairman Dodd. I'm Howard Permut, President of Metro-North Railroad, and I appreciate the opportunity to testify here today. I've submitted a full written version of my testimony for the record, and I would like to share with you some of the highlights of that statement.

I was appointed President of Metro-North in July of 2008, but I'm by no means a newcomer to Metro-North. In fact, I was part of the original Metro-North management team, and have seen first-hand what is necessary to create a viable transportation system and how that system, in turn, can help create a vibrant regional economy. Metro-North service has made it possible for this region to remain strong. We have developed a reverse and intermediate commutation market that allows expansion into both sections of New York and Connecticut that once were considered bedroom communities only. More than 50 percent of our customers every year are traveling either to work locations outside the city limits or taking discretionary trips to theater, museums, and summer homes, trips that help fuel the rest of the region's economy.

The railed is also a lifeline to control mobility while reducing reliance on the automobile. Every day almost 4,000 people travel to New Haven from points, I'm sorry, to Stamford from points east. Without Metro-North service to carry these people, you would need to have one lane in each direction on I-95 to handle the additional cars on the road.

Chairman DODD. Why don't you repeat that line? We talked about this before the hearing started and that's a stunning statistic. Why don't you say that again?

Mr. PERMUT. Right, OK. That Metro-North every day carries 4,000 people who travel to Stamford from points east, and without those people on the trains, we would have to add one extra lane in I-95 in each direction to carry that volume of people. Investing in a safe, reliable and efficient railroad to do this work and reduce traffic seems like a better bet.

Before I go further, however, let me put Metro-North's role here into some context. Metro-North is a wholly owned subsidiary of the MTA New York. We operate the New Haven line under a comprehensive and complex service agreement with the Connecticut Department of Transportation, and it's one I would like to say that is one that's been fair and very workable to the parties over the years as we worked on this, and this agreement in varying forms has been in place about 40 years.

In 1983, when Metro-North was created to operate the three commuter lines in the area, service on the Hudson, Harlem, and New Haven lines looked and performed like they were on the brink of disaster. Today we would all agree there are still improvements to be made to Metro-North and the New Haven line. Our infrastructure is undeniably in better shape than we've ever seen. Last year's record setting ridership and customer satisfaction levels and consistently high on-time performance are a testament to that.

Metro-North has become an important part of the community it serves. However, it would be dangerous to take our contribution to the region's economy and mobility for granted. In my experience you need certain ingredients to become and remain successful. First, you need good partners like the one we enjoy with the Connecticut Department of Transportation who share our same goals. Second, you need a committed workforce. We have 5,800 employees in Metro-North. Over 1,500 Connecticut State residents. Almost 1,400 work within the State borders. Couple that with a high performance, and I would say we show an interest in doing our best. Third, you need a plan that's strategic, comprehensive, and moves your organization toward achieving what's important; and when you prepare to execute your plans, you better have the money to make it happen.

A stable, sufficient, multi-year funding stream makes everything possible. Our experience in Metro-North is the example. Since 1983 we committed ourselves to identifying and executing investments that allow us to reduce the maintenance needs, operate as efficiently as possible, and reduce reliance on taxpayer subsidies. Our fair operating ratio has gone from 38 percent to 55 percent, which means that more than half of our expenses are now covered from fares, one of the highest ratios in the entire United States.

We are also fortunate to have benefited from visionary leadership in New York that created a dedicated stable means of funding infrastructure investment in 5-year increments. In all, we've invested $6.3 billion in all aspects of our system, but we can't be fooled into believing that we are finished. We are far from it. In an unconstrained world, we just recently estimated that we will need to invest approximately $12 billion in the next 20 years to meet the basic needs of the railroads. Let me repeat that again. That's $12 billion just to meet the basic needs of the railroad before we talk about expanding the system.

In the 10 to 20-year timeframe alone, we are looking to fund projects totaling approximately $1.9 billion. Of that, almost 90 percent of that amount is required either to bring us to a state of good repair or to replace equipment and infrastructure that is at the end of its useful life. So approximately of the remainder, about 7 percent has been identified for projects that will help us increase ridership and add capacity to carry additional riders, and at this point I want to emphasize here, as Joe mentioned and you mentioned so eloquently in your testimony, that Metro-North ridership is at historic highs. It's the highest that's ever ridden on any of these lines in the history of these lines, which go back 160 years or so; that our needs are so great just to maintain what we have, we can't dedicate much of our resources to expanding upon that.

Further, these numbers don't include the billions of dollars required to expand our region and further improve mobility in the region providing service from here to Penn Station, New York, building its public transit system across the Tappanzee Bridge, and the I-287 corridor or adding service to Stewart Airport are examples of additional needs.

When we turn to Connecticut, we see the potential for further rebirth of commuter rail service. Metro-North has just completed a study of our communications and signal systems to determine how to meet the New Haven line service requirements including Amtrak service route 2030. The design and construction of in-system east of Greenwich requires additional funds. Metro-North and ConnDOT will also have to secure funding for the federally legislated mandate to install, to design and install positive train control to our signal system by 2015. Additional estimates put the cost of this system in the half a billion dollar range. Frankly, we will be looking at sources at the Federal level to help us meet this mandate.

Other essential projects that are underway and require additional funding are the catenary replacement for the Connecticut portion of the New Haven line, the option to buy additional cars beyond the 300 on order, to expand service, and investing in modern repair and storage facilities in New Haven and in Bridgeport. A full funding strategy and project limitation plan are being formulated by ConnDOT for all these improvements. Similarly, we await legislative movement in New York on the funding of our next 5-year infrastructure investment.

I'm optimistic these plans will be approved and funded soon. I'm convinced that our elected officials and business leaders understand how important public transportation is to the region's economy. Likewise, many of your residents, our customers, consider it a lifeline. It's a lot of money to invest, but by doing so we are also investing the region's economic health and quality of life that it provides. Metro-North's history is illustrative of that fact. In this case history must repeat itself or we will all be poorer for it. We look forward to working with you, Mr. Chairman, your staff, and other partners in Congress to address some of the issues in the upcoming Surface Transportation Reauthorization Bill later this year, and on behalf of the Metro-North and our MTA family, I want to thank you for your interest and your support.

Chairman DODD. Well, thank you very much.

Mr. PERMUT. Thank you.

Chairman DODD. You're not new to the work, but new to the job you have, and we look forward to working with you.

Mr. PERMUT. Thank you.

Chairman DODD. We appreciate your testimony. Mr. McHugh, welcome.

STATEMENT OF JOE McHUGH, VICE PRESIDENT, GOVERNMENT AFFAIRS AND CORPORATE COMMUNICATIONS, AMTRAK

Mr. MCHUGH. Thank you, sir.

Chairman DODD. Why don't you bring that microphone a little closer to you. The people in the back of the room might not hear as well.

Mr. MCHUGH. I think that's better, thank you. Thank you very much for your leadership today for holding this hearing and for the good work that your staff does each and every day in helping us at Amtrak and over the years, Senator, thank your for you abiding support for Amtrak. You have really been there for us, and I would like to thank you on behalf of all of our employees.

Chairman DODD. Thank you.

Mr. MCHUGH. We are also experiencing record ridership this year. Our last year closed with the single biggest increase in ridership, 28.3 million nationwide, and despite the economic problems the country is suffering, we're still pretty much on pace with last year. We are just 4.3 percent lower overall across the system with our ridership. The Northeast corridor has been down slightly, but we see that picking up now. Our on-time performance this month through April is 97 percent on-time performance on the Northeast corridor, and ironically it's our long distance trains which are pacing ahead of last year, about 2.5 percent ridership-wise over the last year, so we've sort of held our own through these problems.

Touch briefly today on five topics. I want to talk generally about our partnership with Connecticut, some statistics on your Springfield line here, the opportunities thereto, opportunities for the main line, and some of the guiding principles the company will be looking to move forward with in partnership with the States that support us and where we have service, and I would also like to extend my welcome and privilege to be with these transportation professionals on this panel today.

We operate 46 daily trains on the Northeast corridor through Connecticut and the Springfield line each day. Ten of the 12 stations in Connecticut are intermodal stations and have connections with other forms of transportation. For those traveling in Connecticut, and about 1.6 million Connecticut people boarded on stations in Connecticut last year, they have an unparalleled range of travel choices here. It's a very good place to do business and in terms of transportation for Amtrak.

We employ 544 residents of the State. Last year between our payroll and the purchases of goods and services, about $100 million were spent here in Connecticut by Amtrak, and last year we're very proud to have completed a major replacement of one of our aging draw spans, the Thames River Bridge, which is now a vertical lift bridge, and by doing that, it's a State good repair project, but it also brought us greater reliability in terms of our operations on the north end of the corridor.

We will be investing stimulus funds in Connecticut. Next up is the Niantic River Bridge. We will get started on that, and we would not be doing that but for the stimulus funding. That's about a hundred million dollar project. Two other bridges, one in Stonington and one at the Miamicog River, will also be replaced. The work will begin in September of this year. Bids will be out on the street in May. We will be doing ADA compliance at a number of stations in Connecticut. Our total ARRA investment is $14 million.

With regard to the Springfield line, Amtrak operates 22 daily trains on this route. Those are two Amtrak regional trains, eight shuttles, our Vermonter service, which goes up to St. Albans for a total of 12 Amtrak trains. Ten freights also share the corridor. It is 62 miles long. It is single track. It has good passing siding and it is cab signaled. It was formerly double tracked, but the second track was lifted in the late 1980s, unfortunately.

This year we will be up there with our track laying machine. Actually, we will be up there with our track laying forces completing what will be an 130,000 tie replacement project. This will be the second year of a 2-year project; and when we do that, we will be able to lift 14 speed restrictions, we will have improved grade crossings, and we will be able to raise our speed slightly on routes so that we can have a consistent 79 mile an hour operation.

The two big challenges down the road for the Engineering Department will be replacement of the Hartford viaduct, which was built during the administration of Grover Cleveland. That is about a $40 to $45 million project, and to get double tracking back, which is a goal for us and the commissioner, it will have to be done to sustain the weight of the double track. We are also going to replace the Connecticut River Bridge near Windsor Locks, which dates to 1904. That's a $20 million project, and again, we are going to get started on the work, the planning work for that, and we hope to move on those in the next couple of years.

The Springfield line will need continued investment, but according to our Engineering Department, its track and structures after we get the tie replacement done this summer, will be in pretty good shape, we are very proud of the Springfield line. It is a designated as a high-speed corridor, and it has a potential for high-speed rail funding under both the Prea Bill and hopefully under the Stimulus Bill.

We have been working closely with the State, with Howard's group in terms of defining overall state of good repair needs for the entire Northeast corridor and just this week we are sending that report to Congress. It is one of the requirements of the Prea legislation.

With regard to opportunities, you know, I think we view the Springfield line as really a successor to the work we did in Harrisburg, the Harrisburg line.

Chairman DODD. Yeah.

Mr. MCHUGH. That is also an Amtrak-owned line. There are differences. Harrisburg is electrified, Springfield is not. Harrisburg is double tracked. We have a single track operation here. We have 40 grade crossings on this route. We have four on the Harrisburg line. Here we do 79. There we did 90, but we moved it up to 110 after our track work was completed. It is part of our system. It is part— we own it and we have an obligation to bring it up to as a level of utility as possible. We will turn to these challenges.

We have been meeting regularly with the State. We have a good relationship with Joe Marie and his staff, and I can't begin to tell you how much we hope that that will bear the fruit of the goals we set forward in our testimony. So we hope to include, expand and improve the passenger service on that. We know that the State wants to bring computer rail there. That's very important for us. We think it will be part of the community of service that's offered there.

With regard to the Connecticut to the main line service between New Haven and New London carries a substantial amount of inner-city and commuter traffic. Shoreline East service, which is funded by ConnDOT but is operated by Amtrak, we do both the operation and the mechanical work on that. There are 16 weekday roundtrips between New Haven and Old Saybrook. As Joe said, one of them extends to New London.

We currently operate 308 daily trains along this route. There are limitations. We are limited to the number of trains we can operate over the bridges in Connecticut. It's a DEP regulation, and it ties to the number of moveable bridges, and the need to open and close them for the boating community here in Connecticut. We continue to work through that to try to find creative ways to address their needs but also increases to service.

We also work closely with Metro-North commuter rail, and we hope to have an even more engaging relationship in the coming months and years as we move forward on Prea requirements of reducing trip time on the north end.

Springfield line offers a microcosm of what Amtrak would like to do in coming years across the United States. No two corridors are alike, but there are common threads such as the need to find true intermodal connections. We must make our stations intermodal centers. We can go where buses can't go and vice versa. We are in natural alliance with the bus community.

We want to push for faster service. We think 110 miles per hour is a good threshold for speed increases on most of these corridors. They are feasible. They are doable. We can realize them in our lifetime. They don't require a big bang approach, and they will, overall, will increase our service portfolio. We would like to move to class 6 track for our 110 mile per hour operation. That will require some signaling improvements, but the combination of those two will give us greater ability to increase frequencies and to increase, reduce trip time.

We will look to stimulus funding, Amtrak reauthorization funding. We believe that there will be a national rail policy. Just 2 hours ago the President was in the White House. He and Secretary LaHood announcing what he would like to do with the $8 billion, and making it a lasting legacy of his administration.

Chairman DODD. That's high-speed. Is that high-speed?

Mr. MCHUGH. It is the high-speed part, but there's money in there for——

Chairman DODD. But this could actually—Hartford/Springfield could qualify for that.

Mr. MCHUGH. Yes, it could, and we would look to that as a possible funding——

Chairman DODD. He made that announcement already? I thought he was going to do it this afternoon. He did it this morning?

Mr. MCHUGH. He did it this morning.

Chairman DODD. He must have known we were having the hearing here this morning.

Mr. MCHUGH. Exactly. So it's a historic day in many ways for real policy. We look forward to our continuing relationship with you and with our colleagues here in New England. Thank you.

Chairman DODD. Thanks very much for that and you've touched on, raised a lot of questions, too, but I appreciate you dwelling on some of the major issues we have in the State as well.

Mr. MCHUGH. Thank, you sir.

Chairman DODD. And we look forward to having a, really an ongoing, very consistent relationship with you here to move forward on these things.

Mr. MCHUGH. Very good.

Chairman DODD. Ron, thank you for being here with us.

Mr. KILCOYNE. Thank you, Senator.

Chairman DODD. Bring that mic closer. I can just—I'm having a hard time hearing you here. I am worried about the people in the back of the room hearing you as well so——

Mr. KILCOYNE. OK, is this better?

Chairman DODD. It's better. You really have to speak into it, and I can see people straining and moving up here closer.

Mr. KILCOYNE. All right.

Chairman DODD. You may have the entire audience hovering over your shoulder here.

STATEMENT OF RON KILCOYNE, CHIEF EXECUTIVE OFFICER, GREATER BRIDGEPORT TRANSIT

Mr. KILCOYNE. It'll be nice and cozy. Thank you for the opportunity to offer testimony at this morning's hearing, and also I want to thank you for your efforts on our behalf. Your commitment to public transportation can be seen throughout our system.

My testimony will focus on the overarching benefits of public transportation in many areas of critical importance to the future of national, State, and local levels, and more importantly, I would like to focus on the capital and operating needs of public transportation and how these may be considered and addressed in upcoming legislation and I will—the need for increased investment in public transportation has never been greater. Public transportation will necessarily play an increasing role in addressing some of the Nation's most pressing issues including the reducing dependence of foreign oil, improving our environment, increasing demand on nonrenewable sources, helping people get back to work, providing access to essential community services for all, for people of all walks of life, provide an immediate alternative for those not wanting to join congested highways, and for economic development and job growth.

Investment in public transportation in Bridgeport has led to new services to major employment centers, extended service vans, helping second and third shift workers, and our services are heavily utilized. We have experienced 11 percent growth in ridership in the last 6 months of 2008, and that growth continues, and for every hour of service we put on the street, we carry over 30 customers.

My written testimony goes into more detail on the benefits and the reasons why we need to invest in public transportation. I will not get into that, discuss that in my oral testimony. The city of Bridgeport is engaging on a sustainability plan. It's the aim of the Mayor to have Bridgeport to be the greenest city in New England; and as part of that element, we want to reduce the carbon footprint of transportation, and we also want to sustain compact dense growth in lieu of sprawling development that is both environmentally and energy inefficient.

The city is reducing minimum parking requirements, and is looking at ways to reduce the barriers for developing the 20 percent of vacant land and buildings in the city to environmentally sustainable infield growth. But this infield growth, while it's located along the existing transit routes, will increase the demand for transit. We will have to run our services more frequently; and in doing that, we will need more buses, and we will need a larger maintenance facility. Therefore, we have significant capital needs. We have significant operating needs; and as I go through my testimony, I'll try to talk about how we look at how the upcoming authorization bill may be able to address those capital needs and operating needs. Certainly Bridgeport is just an example. You can translate that, those needs throughout the country, but as far as capital and operating needs are necessary.

You know, before the infusion of capital funding under the AARA, it was difficult to secure a local match for projects other than rolling stock and facilities to be funded under FTA formula or discretionary programs and additional—once the AARA vending is used up, additional Federal funding and additional local match are going to be required to continue to meet current and future capital needs.

Transit agencies struggle with the inability to plan service improvements and expansions on a predictable and reliable schedule. There have been occasions where additional operating investments are proposed without the required capital investment, and there have been occasions where capital investment is made available with no associated operating funding.

One of the things we would like to see in the next Authorization Bill is a way to encourage or leverage more State and local investment in transit operations. This could be done in a number of ways. I have provided more detail in my written testimony but, again, in the interest of time, I will not go into the great details of the minutiae there, but there could be incentives to incur to States and regional governments to invest more heavily in transit investment. There can be conditions placed on the receipt of new funding streams. There can be modifications to existing programs and regulatory requirements. Increases in local operating funds can be used as a local match for capital or there could be and probably the best way would be a combination of these alternatives to have the biggest impact.

Another challenge to increasing transit's role is the difficulty accessing transit. Even though Bridgeport is a dense and older city, it has sidewalks. There are many areas where it is unsafe or virtually impossible to actually walk to or access bus service; and if it's impossible to walk or access bus service, it is impossible just to walk for other short trips. For example, within Bridgeport, over 20 percent of the people who live and work within Bridgeport live within one mile of their job yet in many cases they can't walk and that—and so it goes—the improving access to transit not only increases transit use, it also reduces vehicles by encouraging more nonmotorized trips.

So, once again, we would look to the next Authorization Bill to include incentives that could and other policy statements that it could encourage localities to improve and to focus on improving access to public transportation services. Some of the—some other specific recommendations that we would have for the upcoming bill, in the case of capital funding at the State level there is a need to commit to longer term capital planning and funding for facilities and rolling stock. Consideration should be given to longer term authorization with annual appropriations and minimum guarantees. This would allow for steady and efficient growth of the State's transportation infrastructure.

I touched on the need for increasing operating funds and to illustrate this, within Connecticut, Transit for Connecticut, which is a coalition of businesses, environmental and social services organizations, has conducted a study, which evaluated the need for additional capital and operating investment needed for public transportation just here in the State of Connecticut. This study concluded that we would need to operate an additional 1.8 million hours of bus service a year just to reach optimum ridership levels and to get optimum benefit from public transportation. That translates into about $63 million of operating funds as well as an additional $215 million in capital necessary to do this.

I explained in the Bridgeport case where we needed additional service and expand our facility, but if you translate those needs and expand them statewide, we have that need and, once again, every State, the commissioner mentioned that we were one of the highest per capita investments in transit to begin with yet we do not invest enough in transit even at that level. You multiply this by 50 States and you see the need.

As far as capital on a national level, the upcoming authorization, we agree with APTA's position that over the course of 6 years the capital, the transit program should be no less than $123 billion or about double what it currently is, and this should be guaranteed funding; and as I mentioned, there also needs to be a need to ensure steady and predictable funding from the Highway Trust Fund or new revenue, streams of revenues from Federal motor fuels taxes as Federal motor fuels taxes decline.

And finally, flexibility. While under the authorization of all transportation should grow at the same time, we would like to see some level of flexibility in 53-10, which is a 53-16 and 53-17, which is the Jobs Access money and New Freedoms money into a combined program that will grow, but it'll be a combined program, because many of the needs of these programs overlap, and this would help in that area.

So I would—hopefully I've stressed the case that transit—and my written testimony goes into greater detail. The transit offers many benefits to address many, many issues at one time and—but in order to achieve and to achieve optimum benefit, we do need to increase investment. We do need to find a way to cover both the capital needs as well as incentives to encourage more stable local investment to partner with the Federal dollars so that we can increase the need, increase transit investment. Thank you.

Chairman DODD. Thank you. Now that was very, very comprehensive, and you go into some detail in your written testimony which was very, very helpful, as well, as we look at the upcoming legislation and incorporating the incentive ideas as well, and how can we can utilize because the issue—many of you raised the issue of parking or at least one of the difficulties of parking. Obviously the intermodal connections where you can, where that becomes less of a necessity, and that's one of the major problems we have in Stamford/Bridgeport. We had people who couldn't get—there was no public transit to get to the public transit, and so trying to find out ways in which we promote that connection is going to be critical as well. You raised a lot of issues this morning.

Let me begin, Mayor, if I can, in asking you it's pretty comprehensive. What are your—what are the biggest transportation challenges? I mean, aside from the money issue, obviously, which is important, and let me use the opportunity as well as someone who has authored along with Warren Rudman, the former Senator from New Hampshire, and Bob Carey of Nebraska, this idea of an infrastructure bank idea, which the mayor of New York, the Governor of California, the Governor of Pennsylvania, and, in fact, the President had spoke about it during the campaign, but also has submitted some budgetary requests for an infrastructure bank idea.

Because candidly, as I listen to all of you here about the needs just to maintain systems let alone expand them, the costs are prohibitive in many ways, and we are already lowering deficits in the Highway Trust Fund, and that will be one of the battles we will face this year, about $65 billion, I think, is the deficit number, and the question is how do we—what mechanisms do we have in order to provide the resources for capital, which you need for operating costs.

In the capital area the infrastructure bank idea of leveraging private dollars with public monies, which has been done in Vancouver, Canada, and other places, is one of the more creative ideas of how you get additional resources to bring them to bear for infrastructure generally. I mean, this is, obviously, one major area, whether you are talking about water systems, sewer systems, highway system, bridges, whatever else we are talking about here, we will not be able to just go to appropriation process or just to raise taxes all the time in order to meet these need. We've got to find more creative ideas, and the infrastructure bank idea, I invite you to take a look at it, is one of the proposals out there to try and come up with a creative means and mechanisms by how we would be able to attract—and one of the benefits is even sovereign wealth funds. We are always somewhat hesitant about sovereign wealth funds coming to the United States. One of the benefits of getting sovereign wealth funds, other nations who want to invest in this country investing in infrastructure, is for whatever reason they change their minds next week, they can't pick up the transit system and move it back to where they come from.

So one of the ideas of attracting sovereign wealth funds for infrastructure particularly in the area of transit has and added benefit. You can't take away your investment once you've made it in this country; and as I just raise it for you, it's something to talk about. But, Mayor, would you just maybe begin and talk about what you see are the biggest challenges in this area, and then ask each of you to kind of—because it is going to be prioritizing this to some degree. We would love to do all the things you are talking about, but I'm going to need to get some sense of priority as we look at this transit proposal.

Mr. DESTEFANO. I would say it in a way that where I think you can be effective, but it's not directly under Federal Government's influence, which is land use policy. I think to the extent to which funds could be targeted in ways that support development along transit corridors would be critical rather than sprawl development; and, frankly, I think the ways to do that are to do that through funding RPOs, the region plan organizations that exist in all of the States, but additionally, to target funds to areas that have said and are placing a value around smart, economic growth, around transit facilities, and I think, frankly, in Connecticut we have three large transportation corridors to my point of view, I-95, I-91, and I-84, and supporting those corridor developments and targeting funds there are useful for two ways.

I think one, it supports density along corridors where there is already the vast amount of the infrastructure of the State. Second, it preserves what I think is incredible added value of this State, which is the open space and rural character in many parts of the State, which are being gobbled up by development right now. So I would target the money to corridors, frankly, irrespective of how you raise it.

Chairman DODD. Well, it's a great point. I spoke in North Carolina, Governor Hunt has an annual meeting called Emerging Issues, which he invites, I think, well over a thousand people, and this year was transportation was the subject matter, and I was the keynote at the event, and did some work on it. I just looking at North Carolina, in Charlotte, North Carolina, the light rail system that they built in Charlotte, defied all earlier predictions of what would happen to land values along that corridor, and actually land values increased by over $2 billion contrary to what the old thinking might be that actually development along a rail corridor would decline property values.

In fact, they increased in value. The people saw it as a highly desirable area to be, the transit being the piece that attracted that kind of growth so—and this New Haven to Springfield, Massachusetts, corridor, again, is the classic example where you have an infrastructure in place. We have that kind of development that's already there, it seems to me, and yet you have a tremendous congestion. I don't need to tell you obviously here, it happens to be I-95 and 91 here, but going north of Hartford as well during rush hours coming in and going are just staggering going on. So the idea of providing that along with the stops makes a tremendous amount of sense to me. I don't if you want to comment, any of you want to comment on that?

Mr. MARIE. Yes, Senator Dodd, I think that the Charlotte example is a very good one. I think the most——

Chairman DODD. You have to speak up, Joe.

Mr. MARIE. The most comprehensive analysis that has been done was done in Dallas, the Metroplex area, where it was determined that the real estate properties and property values around the light rail that was built in Dallas improved by 56 percent greater anywhere else in the Dallas-Fort Worth Metroplex which, you know, was a real sort of study where they have control, you know, study. So it was really indicative of how successful it was in the economic impact.

The same thing happened in Phoenix recently with the opening of the Phoenix light rail system, $1.2 billion investment in light rail generated a $6 billion investment in private investment along the 20 mile right-of-way between Phoenix and Mesa. So it did have the economic benefits that people had hoped. They were exceeded, more precisely.

I think you raise an important point about what priorities would be. From our standpoint we have to draw a distinction between, you know, sort of the regular maintenance activities and sort of modernization to sort of extend the useful life and the lifecycle of our assets. I think most of us agree we do a very good job on, you know, the maintenance of our assets to keep them in a good state of repair, but what we're really choking on right now, and I think all of the sort of large industrial areas and the big cities, you know, the Washington, the New York's, the Boston's, the Chicago, Philadelphia, is that the age of our infrastructure is sort of, as we talked about, reached a midlife crises where it requires a lot of money to keep it in a state of good repair, and that's the thing that's really hurting us and putting the sort of financial pressure.

You know, our revenues are declining because some of us depend on, you know, special gas tax funds. Operating costs are going up because of medical costs. Preservation and modernization needs are going up, and at the same time the desire for our services is going up, because people, once they have been attracted to public transportation and away from their automobiles even—you saw that late last year with gas prices falling, riderships continued to go up on public transportation. So we have an opportunity to keep that ridership and expand upon it, but the only way we are going to be able to do that is invest in that capacity by, you know, improving the systems that we do have to increase the level of service that we have out there.

Chairman DODD. Let me ask you, Howard, on Metro-North, because, again, there's a deficit in New York City.

Mr. PERMUT. Right.

Chairman DODD. They are talking about cutting back services, raising fees. There's some talk about a 25 percent increase in fees.

Mr. PERMUT. Right.

Chairman DODD. It seems to me we are going in exactly the opposite direction.

Mr. PERMUT. Yeah, I think—let me speak—I would like to speak to that.

Chairman DODD. Bring that closer to you, yeah, the microphone.

Mr. PERMUT. Yeah, sure. I would like to speak to that as well as well talk a little bit on the needs and on the development that the other, that Joe and the mayor spoke to. The most immediate issue is the issue you just raised, that there is a fundamental financial crisis that is affecting the MTA, which Metro-North is a part of, and that crisis has been—it's, if you will, the perfect storm of a couple of different things that have been put together.

Part of it is is that in the 1990s the decision was made to fund the capital investments that were absolutely needed, to fund them with debt service and that debt service, the amount of debt service that is now needed to pay back those bonds we are now paying that back and it's escalating at a very, very high rate. That requires more care. At the same time with the loss—much of the MTA is funded by tax revenues that are very sensitive to the economy particularly real estate taxes; and with a almost complete collapse of the real estate market, those revenues have gone down dramatically.

And so what we sit with today is a huge financial hole, because the costs have gone up because of debt service, and the revenues have gone down, because these nonpassenger revenue subsidies have gone down. The revenue from the riders has actually gone up, because the ridership on all the MTA systems is at historic levels, so we are faced with a true financial crisis.

You may be aware that the Governor appointed Richard Ravich, who is a previous chairman of MTA. He had a commission. The commission made an series of recommendations, had a host of public hearings, and those are now and have been under public debate in Albany for the better part of four or 5 months; and as we sit here today, we are not sure of that outcome. We are still optimistic that something, we will get positive some financial support that will help us provide the necessary monies, and those monies—what's not always fully understood, it's not only we are facing service cuts and high fare increases, which I agree, we would agree are absolutely what we don't want to do, and are antithical to what we have done at Metro-North.

We also do not have a steady source of capital funding after this year, and one of the successes for Metro-North has been having, in the whole MTA, but I will speak to Metro-North, having a stable, sufficient fund source so we could invest over time to modernize the system. So we're faced with truly a huge issue that will affect the New Haven line. It will affect the rest of Metro-North and the higher MTA, which is an operating budget out of balance. It is not sustainable even with all these cuts and service increases. There would have to be further on increases and cuts as well as no capital investment and we all know when—I can tell you that personally, you know, from being at Metro-North many years, the results of no capital investment is what Metro-North inherited, which is a system that was collapsing when we took it over in 1983. So it's a road we absolutely don't want to go down but we're faced with.

And hopefully something will come of it. I remain optimistic that we will get a solution. We don't want to end up down that road, because I think that would be a terrible road both for New York and for Connecticut, because we do have a partnership here, and the two States have to work together. I would just add very briefly just two other things.

Chairman DODD. Are we talking to you about this? I mean, Joe are we involved in this conversation?

Mr. MARIE. Absolutely. In fact, I am going to be in New York this afternoon and again tomorrow afternoon meeting with Howard talking about these issues. We're in constant dialog and we need to—this is indicative why this is a regional problem and regional problems require regional solutions, so we have ongoing dialog.

Mr. PERMUT. If I may just quickly, when we talk about—to echo what Joe and the mayor said and what you said as well in terms of economic benefit of investing in public transport, when you look just on the Metro-North system where you look where the investments have been made up and down the line, you'll fine that they are almost invariably right next to the train station. So be it Stamford, be it in what's being talked about in New Haven, what's being built at State Street. You go to Yonkers, New York, the development, the high-rises next to the station. New Rochelle is the highest apartment buildings in Westchester County, the 50-story buildings they are next to the train station. They were put there because people—that's the access both to and from Manhattan, and the lifeline is Metro-North.

And so we have at least 10 different places where it's already been done. We have a number of places underway where people want to develop next to train stations, and I think on the Federal side what can be done to support that, be it either legislatively or financially, would be a huge benefit. I think that could help structure more of these and make this not so—I think the ingredients are there, but it's based on local funding and what developers want to do, and I think with a Federal role we could greatly increase and expedite those types of developments and the number we have.

And the last point here, the issue of priorities, I think that we have to stay focused on maintaining our system, the basic system. They are expensive. There's no question they are expensive, but the alternatives are much more expensive. And even where we sit here today in Connecticut, as an example, the catenary in the State of Connecticut was built in 1910 so it's a hundred years old, and we are trying to operate the New Haven lines, the biggest rail line in the United States. More people ride the New Haven line between Amtrak and Metro-North than anywhere else in the country. We are operating both high-speed critical Amtrak service, critical commuter service, and we are running on a system that is now a hundred years old, and so I think we can't lost sight of the fact that there are still significant investments that must be done so we can reliably provide the service that we need on the railroad.

Chairman DODD. That's well put, too, and that's—and by the way, I don't want this hearing to turn into—this is not an anti-highway hearing, by the way. It's obviously critically important as well, and we are talking about transit here, but obviously having a mix, but there are obviously disadvantages. I mean, the way these formulas work a State or locality gets 80 percent funding if a highway is involved. You get 20 percent, 30 percent or 40, in some cases, if there's transit funding. You don't have to have a Ph.D. in economics to understand you're going to do better by building a highway financially than you are if you run a transit system and we need to—I want to get us as close to that mode neutral where States and communities can start making decisions based on what their needs are rather than incentivizing it in a way that just, you know, guarantees an outcome that might not be the wisest at all, in fact, may be counterproductive in terms of what you're tying achieve. Now, I don't anticipate I am going to win that battle this year, but we ought to start down that road and get to that point where you have that sort of mode neutral approach so that people can start making decisions about these issues.

And what I find encouraging, too, and I think I talked with some of you about this, historically we have seen this as kind of an East Coast/West Coast issue with interest in Chicago, and so forth, about it. What I have found among Senate colleagues of mine is that some of the greatest concern about transit issues come from western States where you have the utmost urbanized State in America. It's always a fun trivia question to ask, what's the more urbanized State in the United States of American and the answer is Nevada, which people usually never answer, but you have about 98 percent of the population live in one county, Clark County, around Las Vegas.

Senator Bob Bennett of Utah is deeply entrenched with transit issues in Salt Lake. Richard Shelby, my colleague on the Committee, cares about these issues in his communities as well, so this issue is getting more attention across the country; not just in the highly dense population States but in areas where you have a lot of dense population in concentrated areas. So I'm optimistic there is a growing constituency for these issues as we try to look forward to how we balance the needs back and forth.

Let me if I can raise, Mr. McHugh, the issue, because you have a lot on your plate, obviously, and obviously we've got some real issues here, and I want to say, by the way, whether it's in May or when we can do this, Joe, to really—we'll use our office or however you want to do this, but we really want to have a very intense and close working relationship with you to move forward on these issues, because there's a lot of overlapping that goes on here and delay.

Shoreline East is obviously—I was pleased to hear you talk about this. There is a lot of interest in this from New London to Old Saybrook and of course this corridor, the tri-city corridor project, and I would just like to find how we can cut through a lot of this so I can prioritize what the needs may be so that we can start making some requests, and anticipating how we can get to that point of getting this up and moving.

Mr. McHUGH. Right.

Chairman DODD. So share with me—give me some timeframe lines, if you will, on Shoreline East New London to Old Saybrook, and tell me how you think we can get this, how quickly we can get this tri-city project from New Haven to Springfield up and going.

Mr. McHugh. Very well. As I said earlier, the track—the foundation of a good railroad is good track, and we will have much of our track of proven programs done this summer, and we feel then that that's something we can check off as a necessary component to a stable and reliable railroad. The next thing we're going to need to do is Joe and his staff and a few at our staff are going to have to prioritize what the next steps are going to be, and I think double tracking has to be the next step. We have to have a plan——

Chairman DODD. The rights of way are there. We don't have to acquire land.

Mr. MCHUGH. Yeah. Unfortunately, it was torn up 25 years ago, so we don't have to acquire land I think in just about every case. We're going to have to look at where we can begin that process, and I think, one, you can get a plan together for double tracking, and you ask yourself then and there do you anticipate the electrification of this, because as you move up the track, you move up the tract or down the track, you add your double track, you move your signal boxes, and you begin to pour the foundations for your pole lines to carry the wire, and I think it's probably—we have to sort this out, but that would probably be the next couple steps would be to advance a double track operation, and to advance the electrification. Electrification gives you hire speed operation. We can operate easily 110. Our diesels really only get up to 110, and it takes a while to do that. Electric operations allow you to accelerate faster and decelerate faster so your station stops are shortened, and you can pick up valuable times on the——

Chairman DODD. What about mag lev approaches, some of the more futuristic approaches.

Mr. MCHUGH. Well, that is—I mean, what we can get by double tracking and adding catenary is going to be infinitesimal in terms of cost, and what it cost to build mag lev, and we would see it in our lifetime.

Chairman DODD. Yeah, OK.

Mr. MARIE. Yeah, if I could add to that real briefly. We had a good discussion about that this morning, Joe, and it's Connecticut, Amtrak and Massachusetts getting a core group of people together, three or four folks, and I think your idea of having a meeting down in Washington and kicking it off, and coming up with an investment strategy, I think, is sort of the way we're moving.

We are going to have the right engineering people in the room, the right development people in the room so that we can start making sort of those shared decisions that we need to make on the investment strategy. So we hope to be able to do that in the next couple of months. We have to finish what's called a NEPA document, an environmental document here in the State, because there is going to be some parking and some other things that require us to do environmental analysis. That document is going to be completed February of next year.

So it gives us some time to come up with the framework of the investment strategy, agreements, work with the Federal Government to see where we can, you know, come up with money to all this, and then start making the investment.

You also mentioned Shoreline East. We are in a very good dialog with Amtrak about the work they need to get done, and we do have some work to do with the coastal maritime community as it relates to the opening and closing of these bridges. We want to achieve consensus with that community to ensure that we don't impact their businesses. So we have some hurdles to overcome in the next few months there. We're hoping to get some semblance of the service extended to New London later this year early 2010, and we're optimistic we are able to do that.

Chairman DODD. Yeah, let me mention—let me just, Joe, take advantage of the gathering here to say let's plan on maybe in May—we've got new leadership at the Federal Transit Administration as well as the Federal Railroad Administration. We got nominees that have been made now and I'll put together—have you come down. We'll put together some meetings with them right away to begin that process.

Mr. MARIE. Sure.

Chairman DODD. Let me, if I can, the issue of—it's been raised before and the mayor's done a great job, in fact I think the numbers are fantastic, the number of people who actually walk, bicycle, utilize more traditional modes of transportation than otherwise being seen in the city. It's within raised, and I saw this is true in Europe, that there are trains that actually accommodate bicycles. They actually make it possible for you to take a bicycle with you. I don't know if we do that at all. Is there any talk about doing that so you are actually encouraging people to be able to then utilize an alternative means of transportation?

Mr. PERMUT. We—let me start at least on the train side.

Chairman DODD. Yeah.

Mr. PERMUT. We've just put in a new bicycle policy that will be going in effect May 3 to make it easier for people to bring bicycles on trains, so that will be in place. We are always balancing two things. Our trains—we don't have enough railcars. The trains are crowded, so we're balancing having enough space versus having bicycles. So we have to be careful with that. It's something we're looking at. When the M8s come, the new cars come, we are looking at putting in some type of racks for hooks for bicycles to get them out of the space where people walk or if, God forbid, when we have emergency evacuations, which do happen, we can't have bicycles blocking the way. So we're doing that. We have had, with mixed success in New York, programs to get more bicycle racks at the train stations. That's something we talked to the bicycle community about, and we are always hoping to figure out better ways to get more people to bicycle to the train stations.

Chairman DODD. Yeah.

Mr. MARIE. Senator, we are actually, as part of the our stimulus monies in the enhancement side actually investing a quite a bit in our bikeways and pedestrian walkways to improve conductivity to our stations. We need to do more at our stations to be able to give bikes the opportunity to park there, have people park their bikes there.

As Howard mentioned, equipping the M8s, the M8 fleet, the new fleet coming in, with bike racks makes a lot of sense. It's not just Connecticut or New York that has the issue of this balance between allowing bikes at all times. You know, just about every new system that's opened up in the last—even a new commuter system or light rail system that's opened up in the last 20 years has fought this sort of the battle between allowing bikes during rush hour or the rush hours, as they are now, and having enough space on the train.

So typically policies around the Nation have reflected that not allowing bikes during this sort of peak of peak rush hours, but allowing them off peak. So that's those are the types of things we are exploring now with Metro-North.

Chairman DODD. It almost seems to be counterintuitive. It seems that the time you want people during the rush hour so they are utilizing the alternative means of transportation.

Mr. MARIE. Yeah.

Mr. DESTEFANO. So we expect next year to have bike stations where you can rent bikes at about five locations around the city. Washington is doing it, Velebs from Paris type of deal. So we think that's a good way to complement—one of the stations would be at Union Station. And the way transit systems can support that it can be one of the sponsors of that, right, Joe?

Mr. KILCOYNE. And we do have bike racks on all of our buses, and they are all well used; and when we opened up the intermodal terminal in downtown Bridgeport, the bike racks we put there were almost immediately filled up so, you know, we can put another bike rack out there now.

Chairman DODD. John, do you have—Ron was talking about incentives as well, and I wonder if you have any thoughts on the incentivizing investments at the local or State level as well in this area.

Mr. DESTEFANO. You know, look. Local zoning in this State is insane because of the way we do it and it's just—it is counterproductive and, most frankly, the thing that could be done is when you send your money, when Congress sends its money, it insists we have plans of development that support corridor developments. I go back to it. The point is exactly correct that everyone's made up here, does increase value along the line, and it also has to do with development.

So for instance, the Federal government owns a lot of property around these train stations. Give you an example. Brewery Street Post Office here in New Haven. It's an outmoded asset, and it would be a shame if ConnDOT used it, for instance, for parking for its employees rather than build a parking garage rather so——I mean, you know, you can come up with a plan where you can see it would be good to help get funding for a parking garage for the rail yard, and we've got this incredible asset of land overlooking the harbor at the intersection of I-95 and the rail service, and it's just smart land use.

Chairman DODD. Yeah. Those are good suggestions. Let me ask in general do you have any questions at all you want to raise? Mitch, do you have any questions?

Mr. WARREN. No. I think if you want to talk about how we can specifically incentivize, follow-up with the mayor's point about incentivizing transportation-oriented development.

Chairman DODD. Well, that was sort of the question of just incentivizing things you've done, actually, John, in town, and that is incentivizing by developing, at the local level, the bikeways and so forth, encouraging people to utilize alternative means of transportation within the community itself, and I think that's very important. It compliments what we're trying to do, so it isn't a question of Federal dollars, but it can occur locally. I thank all of you, and we can spend all day with just this paneling, but we have a second panel I want to hear from as well on some of these issues.

We'll stay in close touch with you and I'm very interesting ideas. Ron, you made some very good suggestions as well, and I'm going to want to prioritize. We're not going to have—it's going to be a battle already because of the deficits. I've mentioned in the Highway Trust Fund, and the historic battles between highway and transit, and obviously there are needs in a lot of areas, but I really look forward to this being an opportunity to break some new ground, and that's why I want to call it the authorization not the reauthorization.

I mean, again, if we are relying just on gasoline tax revenues and States that have more gasoline tax revenues get more dollars, you just again have the self-fulfilling prophecy as to where all this ends up, and at a time where we're trying to move away from one alternative and I, again, as I mentioned in my remarks, in 1950s the interstate highway system did a remarkable job of increasing economic development in the country and without it, I don't know—we would be a shadow of ourselves economically.

But I think we've arrived at a time when we need to recognize, as well, how important the role of transit can play in exactly the way the highway system did 50 years ago. In fact, if we don't do that, I think we leave ourselves—just to get the hours lost with people sitting in traffic, the amount of gasoline being used and fuel oil, the carbon footprint, all of the issues that people raise independently; and one of the reasons I suggested that they form in the White House a task force on sustainable development with the Secretaries of Housing, Transportation, Energy and Environment to be the core of it, and I'm going to have a hearing in fact with all four of those secretaries to come and talk specifically with how they interrelate with each other.

In the past it's been a stovepipe approach where each department sort of deals with its own issues without thinking about the impact on the others, and so to get a real coordinated effort—and to the credit of the Secretary of Housing, he and Ray LaHood have actually formed a dual task force with Housing and Transportation, going to your point, John, about sustainable development and land use as we move forward. So we look forward to working with you very closely on all of this and I, again, thank you immensely for coming to spend the time and share some thoughts with us.

Mr. KILCOYNE. Thank you.

Chairman DODD. Thank you. We'll move to our second panel as our first panel leaves, and I'll ask them to join us at the table here. First witness is Jim Butler, who is the Executive Director of the Southeastern Connecticut Council of Governments for the past 10 and a half years, and part of that he was employed with the Town of Groton as Director of Planning for 11 years.

Then we'll going to hear from Karen Burnaska, who is the coordinator for Transit for Connecticut, a coalition of statewide organizations dedicated to improving awareness of the benefits of increased bus transit, advocating increased use of bus services, also a member of Connecticut's Transportation Strategy Board and cochair of the Coastal Corridor Transportation Investment area.

The third witness is Phil Madonna, who is the financial secretary of the Amalgamated Transit Union Local 281. Prior to his employment with the ATU, Mr. Madonna worked for CT Transit as a maintenance technician for 26 years.

And last, we'll hear from Eric Brown, who is the associate counsel at the Connecticut CBIA, Connecticut Business and Industry Association. His primary responsibilities involve developing policy positions on environmental, transportation and land use issues for CBIA, so we welcome Mr. Brown, and thank you as well, thank you, all of you, for joining us here this morning and I hope I haven't overstayed—we are trying to move along, and not have people—as I said, we can spend all the time just with one panel or the other. So I am very grateful for all four of you to provide some background and ideas as we go forward with a major, I hope a major transit effort as part of the Surface Transportation Bill. So we'll begin, I think, with you, Mr. Butler.

Mr. BUTLER. Good morning, Senator.

Chairman DODD. Good morning.

Mr. BUTLER. Nice to see you again.

Chairman DODD. Bring those microphones closer. Again, people are having a hard time hearing in the back. Nice to see you again.

STATEMENT OF JAMES S. BUTLER, EXECUTIVE DIRECTOR, SOUTHEASTERN CONNECTICUT COUNCIL OF GOVERNMENTS

Mr. BUTLER. The Southeastern Connecticut Council of Governments for which I work represents 20 municipal in the southeast corner of the State where the region's metropolitan planning organization, which under Federal Surface Transportation law, makes us responsible for transportation improvements within our region. Thank you for convening this hearing in Connecticut, and for having me to participate a witness.

I have been ask by your staff to provide prospective on a number of mass transportation issues facing our region. While our region is particularly well served by highways, southeastern Connecticut and somewhat transit poor. That this is the case as a function of history, geography, and our population density. However, times are changing, and over the past 20 years there has been an increasing demand for more transit service to, from and within southeastern Connecticut as two of the world's largest gaming facilities were constructed, new shopping centers and subdivisions built, roads became congested, and fuel prices began to increase.

Traffic on some of the region's major State highways is increased by as much as 150 percent depending upon the highway's location, and in certain times of day or in a particular season a significant number of our region's roads are congested to the point that the amounts of traffic they carry exceed the capacity of the road. All this means that the region needs more transit; and while southeast area transit, our region's bus provider, capably serves it is nine member towns, it is a small system with low service levels that primarily serve the region's transit-dependent population, and is not considered a viable option by those who still can afford to travel by private automobile.

Both casinos do offer privately operated transit alternatives to their patrons, but they still attract thousands of visitors daily who travel to the region by automobile at all hours of the day and night. The southeastern Connecticut region has long been blessed by the location of a number of transportation providers in proximity to one another in New London. We have called this confluence of modes the region's intermodal transportation center where high-speed, conventional, rail, ferry service to Block Island, Long Island and Fisher's Island, long haul, bus, taxi service and public and private parking services all serve the traveling public. However, the transportation services are all independently opened and operated, so there is little coordination between them that could make this a world class transportation center.

Recognizing this fact, the Council of Governments and the Connecticut Department of Transportation initiated a study last year that is about halfway complete. They will identify physical and operational improvements to tie all these modes of travel together making it more convenient and safer for passengers as well as recommend transit-oriented development opportunities. To compound the fragmented nature these transportation services in New London, Union Station, a historic and architecturally significant railroad station, around which all the modes are located, is privately owned, the only privately owned station along the shoreline rail corridor in Connecticut.

This is a problem, because while the current owners of the Union Station may wish to see the building remain a transportation center, they need to have the building generate revenue to pay for capital investments and their ongoing operating cost. The Council of Governments has had discussions with ConnDOT, and continues to intend to do so about the State of Connecticut either owning or creating some kind of public/private partnership that will guarantee that this beautiful building remain a transportation center for many years to come.

I was very glad to hear you note in your remarks and ask questions of Commissioner Marie and others about Shoreline East. Shoreline East currently operates limited service beyond Old Saybrook to New London. Although I live in New London, about two miles away from the train station, I bicycled there this morning, I had to drive to Old Saybrook, leave my car there to take the Shoreline East train to here in New Haven.

Earlier this year, at the region's urging, ConnDOT successfully convinced Amtrak to allow Shoreline East fares on some Amtrak trains if a multi-ride ticket is purchased. While this is a start, the region is hopeful that ConnDOT will very soon implement the, solve the impediments to bring you more commuter trains to and from New London.

In an editorial in the Day newspaper this past Sunday, ConnDOT Commissioner Marie was commended for his efforts toward this end and the region is grateful. But the region will continue to urge the State of Connecticut to reach an agreement with the marine interests concerning the requisite bridge closings and negotiate with Amtrak, the owner of the rail line, concerning the upgrades required to accommodate additional trains on this stretch of track. The southeastern Connecticut region needs, deserves and warrants train service commensurate with it with Metro-North service that ConnDOT provides for the southwest corner of the State, because region's tourism base is vital to the health of the State's economy.

In 2005 our Council of Governments completed a study, which we called Intermodal Connection Study Southeast, fancy name for a proposed tourist transit system. This study developed a business plan for a high quality, dependable, seamless bus-based transportation system linking rail, ferry and buses to the region's major tourist centers. A market analysis and the interpreted results of visitor surveys conducted during the course of this study, projected that enough visitors would use the system to make the investment in the system pay for itself.

The study concluded that more people would visit region, the length of stay would increase, and people would visit more attractions if these linkages were better. A ridership of between 1.7 to 3 and a half million people annually was forecast. Because a major beneficiaries of the system, the casinos and the other major tourist attractions in Mystic, could not easily be convinced to pay for the system's $30 million startup capital costs and annual operating costs of around $7 to $8 million. The study recommended that conduct of a 2-year pilot demonstration project to show the potential funders of the system that it would be successful. This pilot project would cost $12 million dollars over 2 years in 2005 dollars.

The Council of Governments remains convinced that the proposed tourist transit system would be well used and contribute significantly to improving our region's transportation system. To date we have been unsuccessful in identifying the full $12 million needed for ConnDOT to pilot the system.

How would we improve the transportation system in southeastern Connecticut? Based on my previous comments, it should be clear that our region is very desirous of increased transit service in southeastern Connecticut. Our Council of Governments and the region's bus transit provider SEAT are now having discussions about how to expand service beyond the nine member towns that constitute SEAT. It is hoped that our study of the region's intermodal transportation center in New London will result in improvements that will allow even more passengers to travel into, out of, and through the region safely and efficiently.

The full extension of Shoreline East in southeastern Connecticut will provide travelers to and from the region, an alternative to an increasingly congested I-95. And if the tourist transit pilot system project could be funded, we are convinced that those private businesses that would benefit from its operation would step up to the plate and pay for it similar to what L.L. Bean does up in Maine. But all of these transit improvements cost money; more money than the State of Connecticut can apply to just one of its 15 regions.

So I guess the bottom line is the best that we can do is continue to plan, advocate, and provide support for the region's needs all the while being patient until such time as funding does become available to create a better and more transit-oriented transportation system in southeastern Connecticut. Thank you again for this opportunity, Senator.

Chairman DODD. Thank you very, very much, and I said that we want to help in any way we can on the Shoreline East and when you get to the point of—because the marine interests are not insignificant and obviously it is a major part of our economy as well, and so we want to work with them very carefully, particularly during their peak seasons. It's important to them. So let us know what we can do as well to help coordinate that effort——

Mr. BUTLER. Thank you, sir.

Chairman DODD. ——so we can move through that. We appreciate you being here. And I remember having been involved years ago, we almost lost that train station in New London. It was a very close vote, more than 25 years ago, to actually tear at that building down, which would have been a great loss, an architectural gem, and by a very narrow vote, I forget the exact vote, of the City Council, they decided to keep the building, and as a result, we have a fabulous piece of architecture in New London. Almost it's—it's kind of almost a defining piece of architecture for New London in many ways, so let us know if we can be of help to you as well.

Karen, thank you very much for joining us.

STATEMENT OF KAREN BURNASKA, COORDINATOR, TRANSIT FOR CONNECTICUT

Ms. BURNASKA. Thank you. It's my pleasure, and as Ron mentioned, I am the coordinator of Transit for Connecticut, which is a statewide coalition of environmental, business, social service, planning, transportation organizations dedicated to increasing awareness of the benefits of bus transit and advocating increased funding for bus transit; and on behalf of the coalition, I thank you for inviting me to testify today.

Chairman DODD. Thank you for being here. Speak up, too, Karen, if you can, so the people can hear you in the back.

Ms. BURNASKA. OK. I am going to use an analogy that I took from a gentleman in Norwalk that Connecticut's transportation system is like a three-legged stool. The three legs are roads, rail, and bus. All three are needed for a balanced system and all three are in interconnected. On behalf of Transit for Connecticut, and with the support of One Region Fund, we completed the Bus Needs Analysis Study in 2007. That study detailed the benefits of the bus transit and also proposed an investment plan that would increase bus transit usage in Connecticut by 80 percent.

This study gave various ways to increase bus transit service, increase hours of frequency, increase express bus service, increase interregional service, paratransit and demand response service, and also increase the connections with rail stations; and as I think you mentioned before, people need to be able to get to the train station, and when they get to the train station, they need to be able to get where they're going, and this is a big concern especially when it comes to parking.

The 2008 study also detailed the many varied benefits of transit, and there are many benefits. The economic benefits. Transit provides access to jobs and a larger labor pool for employers to choose, and this is very important especially when looking at first time entry level positions and in the very congested conditions in southwest Connecticut.

Better bus connections enhance the State's investment and the Federal investment in rail and multi-modal systems. There are significant financial savings for households who choose transit over a private automobile, and studies show that every dollar invested in transit yields $3 in economic benefits. There's also numerous environmental benefits.

Increased bus transit reduces highway congestion. It decreases fuel consumptions, and it fights global warming pollution. It also reduces toxic diesel soot through clean vehicle technology, and it supports responsible growth around stronger transit centers and it fights sprawl. And as an added benefit to all of that, transit helps people of all ages. It increases mobility and choice for existing and new bus customers, nondrivers, the elderly and the disabled. It increases opportunities for better jobs as well as access to more medical, education, recreational and other specialized services. Bus transit/paratransit service, can reduce healthcare costs as seniors are able to age in place and remain in their homes.

During this difficult financial time public transit is needed more than ever. Using transit provides direct savings to residents of the State. Individuals can save money by using public transportation instead of a private automobile. According to APTA, the American Public Transportation Association, households can save up to $8,700 annually by switching to public transportation. Employers who offer free parking could save more than 750 per parking space if it's no longer required, and people don't have to drive to work.

According to Governor Rell's budget summary for 2003 to 2005, for each elderly individual that can age at home instead of a nursing home because of the mobility and access to healthcare furnished by public transit, the State of Connecticut saves 3,500 to $4,000 per month. In addition, congestion costs commuters in Connecticut's urban areas between $340 and $590 per traveler in 2005, and that number represents additional fuel costs and the extra costs of travel time.

In addition, lower levels of traffic may allow the State to save money through less expenditure related to road repair and maintenance as well as enforcement of traffic laws, and society as a whole benefits from lower levels of pollution and greenhouse gas emissions. A figure that we commonly use is a medium size car with an average mileage of 21 miles per gallon driven 10,000 miles a year produces five and a half tons of carbon dioxide emissions a year.

In order to achieve the benefits of increased bus transit, an investment of capital and operating funds is needed. To achieve an 80 percent increase in bus ridership, Transit for Connecticut recommends, and this is as Ron Kilcoyne had previously said, $215 million in capital expenditure and an increase of $63 million in operating funds. While capital funds are needed to purchase rolling stock, improve facilities and shelters, upgrade communication systems and fare boxes, operating funds are critical to putting vehicles on the road and providing necessary service. A dedicated, reliable funding source is needed for all transportation projects if Connecticut is to achieve a 21st century transportation system and move forward, and assure that all three legs of our stool provide the necessary mobility for residents.

I just would like to comment. This is not in the testimony, written testimony. What Mayor DeStefano had said is there really is a need to—although there is funding needed, and it always comes down to the money, funding is necessary, both operating and capital, so that the State can plan how it will prioritize its expenditures. They do need to look, as he said, at transportation corridors, see what growth they want, the State, what is best for the State in those particular corridors, determine the transportation investment needed, how much it will cost, and then be able to prioritize. But I look forward to continuing this discussion, and I thank you very much for your time and consideration.

Chairman DODD. Thank you, Karen, very, very much. Phil, we welcome you. It's nice to have you with us.

Mr. MADONNA. Same here.

Chairman DODD. If you can speak into that microphone, too, Phil, I would appreciate it.

STATEMENT OF PHILIP MADONNA, JR., CHAIRMAN, ATU CONNECTICUT STATE LEGISLATIVE CONFERENCE BOARD

Mr. MADONNA. OK. Mr. Chairman, I want to thank you for the opportunity to testify on behalf of the Amalgamated Transit Union. The ATU represents more than 2,000 workers in 11 cities across the State of Connecticut. Given the financial crisis facing transit systems used by Connecticut residents as well as others across the Nation, I would like to focus my remarks on funding issues and would respectfully request that my entire written testimony as well as the ATU's comprehensive transit reauthorization proposal entitled *We Can Get There From Here,* be made a part of the record.

Chairman DODD. It will be made part of the record. All of your documentation, I think, will be helpful.

Mr. MADONNA. Thank you. Record high gas prices in 2008 caused millions of people to try public transit, and despite the recent drop in the price of the oil, many transit system continue to report capacity issues. Yet ironically, at a time when Americans are leaving their cars at home like never before, transit systems are being forced to implement painful service cuts and fare increases and layoff workers because of shortages in State and local revenues.

In our testimony we cite all the reasons why Federal operating assistance is needed to help transit systems stay afloat during times like these. Yet ATU is aware of a long history of transit operating assistance and the ideological battles that have gone on in Congress for many years over this issue. Let's leave all that aside for now. Instead, let's talk about impact of steep fare increases and deep service cuts on working families across the Nation. Let's talk about how much of a burden it is for a person with disabilities who is already making far less than an able-bodied person to deal with his or her paratransit trip more than doubling in cost.

Fare increases are having a devastating effect on working families. Between the increased price of food, healthcare, energy expense and other everyday necessities, middle class families are getting squeezed like never before, and as if the fare increases are not enough, the service cuts may actually be worse. Generally when routes get cut, transit systems tend to look toward those with low ridership, early morning, late night, and weekend service. People who work nontraditional hours who have no other means of transportation are disproportionately affected. A single mom who now gets her kids up at 4:30 in the morning to catch two buses in time to get her children to daycare and then herself to work cannot be expected to wait an additional hour for a transfer bus to arrive standing in the freezing cold with two kids in tow, but that's exactly what is happening out there. Our drivers nationwide have seen it firsthand. I hope the Members of the Committee can see how ridiculous the current situation is. State and local tax revenues are weighed down, wildly fluctuating fuel prices and insurance costs are busting transit agencies budgets.

Even if the Federal Government gave Connecticut Transit the money to double the size of its existing fleet, it would probably have to keep a good portion of those buses in the garage. Transit systems simply do not have the operating money to run their current fleets. As a result, we are cutting service at a time when people are turning to transit in record numbers.

The ATU supports giving local transit systems the opportunity to use their FTA funds for operating purposes. At the minimum, we recommend that the Committee consider allowing fuel and energy costs to be classified as capital expenses. Of course, there is more than one way to generate more operating assistance for transit agencies. One way, as we already discussed, is to change the Federal rules. Another is to encourage States and local communities, which bear the bulk of the responsibility for funding transit operations, to invest more.

We hope the Committee will give strong consideration to the ATU draft bill that would create a flexible incentive grant program within FTA. Under this bill if a State increases its level of spending on public transportation, then it would receive bonus surface transportation funds. States like Connecticut that are already investing in transit would do very well under this program, and other States that are simply building new roads would be encouraged to change their ways. We think this approach is an excellent incentive for States and local governments to increase their level of transit operating expenses so that we can put more service on the streets and stop the senseless service cuts, fare increases and layoffs. Thank you very much for this opportunity to testify.

Chairman DODD. Thank you very much. Good testimony. Appreciate it.

Mr. MADONNA. Thank you.

Chairman DODD. Mr. Brown, welcome to the Committee. Nice to have you with us.

STATEMENT OF ERIC J. BROWN, ASSOCIATE COUNSEL, CONNECTICUT BUSINESS AND INDUSTRY ASSOCIATION

Mr. BROWN. Thank you very much. We appreciate your holding this hearing and inviting us to be a part of discussions today. What I would like to do in our brief time is give you some context of our involvement in the issue, and share our perspective on where Connecticut is at this point in addressing its challenges, discuss a little about the nature and cost of congestion from our perspective, and some of our views on the solutions, and also just comment briefly on the primary challenges we see going forward.

CBI and its member companies have long recognized the importance of a safe and efficient transportation system, and we have worked with State officials and the legislature over many years to achieve that goal. However, it was in 1999 that our organization significantly elevated the priority of transportation following a meeting of our board of the directors with Michael Galice, who had just finished an incentive study of Connecticut's transportation challenges and the economic peril that our State faced as a result of those challenges.

The report prepared for the Connecticut Regional Institute of the 21st Century concluded dire economic consequences for our State if actions were not taken to address traffic congestion, and to more seamlessly integrate our transportation system with regional, national, international corridors of commerce. Over the next several years CBI worked with the legislature and the Governor to intensify the focus on identifying, prioritizing, funding and implementing policies and projects to improve our transportation system.

In 2000, the legislature created the Transportation Strategy Board as an instrument to insert more strategic economic thinking into our State's transportation planning. In subsequent years the legislature and the Governor allocated and approved several hundred of millions of dollars for transportation investments. These were important and helpful measures that have begun to improve Connecticut, and move it in a better direction. However, significant challenges do remain.

In the mid 2000s the failed I-84 construction project along Waterbury/Cheshire corridor brought a higher degree of public scrutiny upon the operations of Connecticut's DOT. In 2007 Governor Rell created a special commission to look broadly at the operations of DOT, and make recommendations for improving the effectiveness and efficiency of the agency. The commission produced an outstanding report, among other things, looked at what measures other State transportation departments had taken to improve their operations. The commission's report was presented to the legislature in February, 2008, and provides an excellent blueprint for going forward.

One of the major recommendations of the report was to make intermodal travel a high strategic priority. The importance of that recommendation is supported by data from the latest report of key mobility measures from the Texas Transportation Institute's 2007 Urban Mobility Report, perhaps the Nation's most comprehensive comparative report regularly published on traffic congestion nationwide. According to the report road travelers, not just those traveling at peak hours in the Bridgeport/Stamford areas, averaged 31 hours of delay each year, and that that number was increasing at a "much faster rate" than similar Metropolitan areas around the country.

In Hartford and New Haven areas the number dropped to 19 hours of delay each year with "much slower growth" in other areas, and I think this speaks a little bit to your point about striving for modal neutrality where there's no sort of predestined way to go and certain areas of the country or, in our case, the State might want to focus resources on one mode more than another but there's no, as you said, predestined outcome.

The costs associated with these delays are obviously substantial. The report estimates a $78 billion annual drain on the national economy. Connecticut undoubtedly contributes hundreds of millions of dollars each year to that figure. The causes for congestion and its adverse impacts on the economy and environment are multiple and can vary in different locations. Similarly, there's no one silver bullet to solve congestion problems.

Unquestionably improving mass transit is one piece of the solution and Connecticut is clearly moving forward in that area. Obviously as with most other strategies for reducing congestion, there are significant costs associated with large scale transit projects. In addition to infrastructure and other capital costs, substantial State subsidies will likely be needed to support these projects once completed. CBIA supports expanding mass transit where it makes sense and makes the most sense to do so.

Individual corridors and options must be carefully studied from a cost benefit prospective to ensure limited but substantial transportation dollars go to those projects that provide the greatest economic and social benefits. Additionally, we cannot become so focused on transit that we short shrift our highway and bridge needs. In addition to the sobering statistic provided earlier by Commissioner Marie, a recent statewide survey of Connecticut businesses found that about 70 percent of the respondents said that the most positive impact State transportation officials could have on helping their businesses would be improving the condition of existing roads, highways and bridges or expanding highway and road capacity. Expanding mass transit options garnered a 13 percent response.

Going forward, Connecticut needs to closely examine the degree to which State funding will be needed to accomplish the goal of creating and maintaining a first class integrated multi-modal transportation system in Connecticut, and we will have to make tough decisions about the sources of that funding including exploring opportunities for public/private partnerships. We need to do a better job of refocussing our transportation planning from an interstate regional perspective and more appropriately balance those priorities with project lists created by multiple regional bodies within Connecticut that are appropriately but more narrowly focused on their local transportation needs. We need to rebuild the trust of our citizens that money raised for transportation projects will be spent on transportation projects, and that those projects will be of the highest priority, and will be implemented in an efficient and cost-effective manner.

Under the outstanding leadership of Connecticut DOT Commissioner Joseph Marie, we are equally impressed with all our dealings with him so far. Working with the Governor, the General Assembly, our Congressional delegation, and a variety of other regional, national transportation entities, Connecticut is moving in the right direction, and we are optimistic that the State can one day be the envy of most or even all other States with respect to our transportation system. We look forward to working with them and the many other transportation stakeholders to help realize that vision. Again, thank you very much for this opportunity——

Chairman DODD. Thank you.

Mr. BROWN. ——to provide testimony and your leadership and support of this matter.

Chairman DODD. Well, let me just pick up on your last point, and I agree with you here where, you know, where there are counties in other States of the country that are larger geographically than our State. San Diego County is larger than Connecticut physically, not to mention the population is substantially more than we have, and we are located where we are with all of these potential arteries around for us to take advantage of the situation. So in many ways we have a wonderful opportunity right before us here to connect in a way that provides alternative modes of transportation for people, moving goods, services, as well as people and, I think, give us a chance to become sort of a model while other States could do or other regions of the country could do, and many of them are moving in the direction.

I had a conversation with my Senate colleague from Texas, Kay Bailey Hutchinson, recently, and she was talking about this great interest she has in this, a light or high speed rail system between Houston, Dallas, and San Antonio with stops in Austin, that triangle, in a sense what a difference that could make and go to the point of sustainable development or land use development as well where then you'd be talking about a concentration of development occurring within that triangle as a result of building a mode system to allow people to be able to move between those major cities without having to rely on major highway construction as well.

So there are a lot of people out there in places that we don't normally associate with transit that are, in a sense, thinking very, very progressively and very, very future oriented in terms of their needs.

Let me ask, if I can, and in fact, Mr. Brown made a point about regional cooperation. In 1958 or 1959, some 50 years ago, Connecticut moved away from county government to city and town government, so we have 169 cities and towns in the State. We still have eight counties, but their political structure there's regional school districts and there's obviously some other areas we deal with regionally. We really don't—Regionalism has not been a major focus of our attention, and obviously that's important, and you mentioned that very specifically, Jim, in your conversation in talking to us hear about a regional approach, and we have a tendency to think of transit issues as being sort of a Fairfield County issue in Connecticut because of our proximity to New York, obviously, and that's an obvious need, and so getting people—and a lot of congestion, obviously, on the roads as well.

How can we better promote regionalism in this subject matter? Is this an area that invites the kind of cooperation between communities that we haven't otherwise seen in other areas.

Mr. BUTLER. Senator, if I might, I don't think we need to invite it anymore, I think it's insisting on being in the house with us, if you will. I think our towns and cities are recognizing they need to work together. In fact. Regions need to work together. We have a very close partnership, as you can imagine, with the Connecticut Department of Transportation, because the financial straits we are all in demand that we work together now more than ever to see regional solutions happen.

I mentioned our Regional Intermodal Transportation Center Study. The First Selectman of the Town of Bozrah said, "I know that's down in New London and that's 20 miles from my town hall, but this is critical for our region" so they get it. I think our chief elected officials get it. Our taxpayers, our citizens, our traveling public understand that we need to work together and transit and regionalism goes hand in hand, in my opinion.

Chairman DODD. Well, the fact you have—just with the Southeastern Connecticut Council of Governments, the fact that we are having these regional Council of Governments, I think, just speaks to that issue as well and chambers now, as well. There are communities that have their own chambers. There are more and more of them are region chambers as well, you're seeing that, so there—the incentives in the business community are there as well.

Mr. BROWN. There are certainly, Senator, but I would mention that while I think you comment regionalism has gotten kind of short shrifted, this year at the legislature up in Hartford it's a very high priority issue. There was, as you may know, a smart growth work group that went on over the last year, very broad cross-section of stakeholders, and there is very strong consensus that legislation is needed this year, and there are several bills out there that will incentivize regionalism within the State. So I think it is getting good attention this year.

Chairman DODD. That's good. Well, one of the things we discovered, I think a lot of communities are discovering the affordable housing, for instance; that they are discovering that people who would be or people who want to work in the trades and so forth that every community needs are finding it harder and harder to afford to live in communities, and also they discovered that carpenters and the plumbers and the roofers and other people that can sustain and maintain a community and its needs, no longer can afford to live in these communities.

We have the highest rate of young people exiting our State of any State in the country because of cost, and so all of these issues really, I think, are causing people to think anew about housing needs, job creation in the future, so it speaks to it in many, many ways. In getting people off the roads, Karen, you spent a lot of time on all of these issues, and I think as someone pointed out earlier, even as gas prices dropped, this may have been Joe Marie mentioned this, I think, that even as gas prices came down—I think we all accepted the notion last summer, when the gas prices went to $4.50 or so a gallon, that people had no choice but to opt for a transit option given the impact financially on them. But even as those prices came down, ridership was maintained; that people didn't revert back to their own automobile. They now discovered that it wasn't, this wasn't a burden; that it was actually pleasant. It was fast. They were able to engage in other activities that they normally wouldn't be able to do if they were alone in their automobile. So it became sort of an attractive idea.

But what do we need to do, now that gas prices are down again, but obviously it can go back up again very quickly, how do we encourage more public use of transit? How do we get people to be willing to try this in the absence of the kind of economic incentive we saw last summer?

Ms. BURNASKA. In order to get people to use transit, it has to be convenient, reliable, and safe. It has to get people to where they want to go, when they want to be there, and that means increasing the service I think the transit districts in the State, and CT Transit, have been very good at even with not having increased operational funds. They look at where the need is, and they move their routes around to try to meet the new demands of the workforce.

And as I believe one of the speakers mentioned earlier, we don't have people who just work 9 to 5 Monday through Friday anymore. We have people working at night, and working on weekends, and those are the people we have to also service. But in order to increase service and I do believe you're right, when the gas prices went up, some people who might never have thought to get on a bus before have used it, and some of the commuter shuttles and the express bus routes into Hartford, where most have even seen more than a 5 percent increase—have seen a huge increase in ridership—and I think when people do get on them, if they can get them where they want to go and when they want to go there and they are reliable, people will use them.

In many cases they are not as convenient as an automobile, but they do save them money over gas, insurance, parking. I do believe you need to improve and increase the frequency of the service in order to get more people to use it.

Chairman DODD. You know, Mr. Brown, I spent part of this past week, I was at Pratt & Whitney, the news up there about the F-22. I was at Sikorsky yesterday. These are now places where Electric Boat in Groton, but at Sikorsky and Pratt & Whitney there's a lot of employment. In fact, we have some relatively good news about it looks like things may be fairly stable for them for at least the next several years because of the announcements on defense work, but very crowded parking lots in these facilities, and I'm wondering if any thought has been given, by some of our larger private employers, about providing kind of bus, bus services coming out of the commuter parking lots and so forth. There's a way of—is that a cost factor?

I was just looking at just the amount of land used just to accommodate the parking vehicles of employees and there, by the way, I'm thinking your point, the three shifts, there at Sikorsky they have three very active shifts going. So the idea of, obviously, a third shift gets, raises all sorts of complicated issues in terms of transit questions. But I wonder if there's been any thought or any discussion, I was wondering whether anyone looked at the economics of that from a business perspective as to whether or not providing their own private means of transit for employees has any benefit to the business involved.

Mr. BROWN. Right. Well, I know, for example, again, back in Fairfield County, some businesses have initiated their own service to connect their company with mass transit modes, train stations and so forth. There were some tax incentives available for doing that. I believe they went away, and I don't think they've returned. So, I mean, obviously that's—and it's a tough time to be doing that, but there has been strong interest in that in terms of connecting modes of mass transit.

In terms of, you know, the place up in Windsor or something where you're, you know, trying to more go out into the neighborhoods and pick up people in their neighborhoods, I don't know empirically if any studies have been going on that. My sense is I think our data shows that, you know, people are pretty spread out, and live in a wide range of distances from there. As a matter of fact, I think I saw that 10 percent of employees in Connecticut come from, commute to other States, Massachusetts, Rhode Island, New York.

So we do have that spread out mentality, and so I would imagine it would be a challenge, but certainly in some ways and, again, if it makes economic sense to do so, and for hanging onto good employees and so forth, I think you're right, businesses should look at it. They are looking at things like, you know, telecommuting and, you know, trying to be more flexible, and there are tax incentives for employers that offer employees, you know, for mass transit, to help supplement their mass transit costs. So there is some of that, but I agree, it needs to be——

Chairman DODD. That's an interesting, just, observation. I think you're probably right that people are spread out great distances, and just isn't necessarily absolutely convenient. But it just occurred to me I looked at how much land use and your statistics on the cost per parking space and so forth in terms of just economic growth and development or expansion, needs and so forth, I just question—that's interesting.

Mr. BROWN. I think as mass transit develops further, for example, New Haven, Hartford, Springfield rail, you'll see an expansion of that idea of connecting businesses with modes of mass transit.

Chairman DODD. That would make a lot of sense, yeah, obviously, as well.

Ms. BURNASKA. If I may, Pitney Bowes in southwest Connecticut, Pitney Bowes does run a shuttle from the Stamford rail station to its office, and there is a lot of cooperation with the Norwalk Transit District, who over the years, and I just pulled out some statistics in case you might ask, is that this the Norwalk area between 2007 to 2008, 275,000 commuters were shuttled back and forth, and this happens and there's shuttles—this is a rail station shuttle. It's not all supported by businesses, but some businesses are looking into it in Norwalk, Bridgeport, Fairfield, Stamford; for Shoreline East in Hartford, New Haven, Derby, and Danbury.

So that is one thing I believe that the transit districts and the State is looking at in conjunction with businesses on how to alleviate the overcrowding at many of the parking areas of train stations.

Chairman DODD. I thought that our witness from Bridgeport talking about a number, it was a stunning number to me. Was it like almost like 30 or 40 percent of the population lived within a mile of where they worked and yet there aren't—there really isn't—there is no capacity to walk to get to your job, and that in itself seems——

Ms. BURNASKA. That is true and in Bridgeport—I don't know if Ron is still here—I believe 30 percent of his bus riders leave the bus and go to the train station to take the train to where they work so—and that the access to bus routes, though, in these cities that do have bus, a good bus service, is difficult, and that's why they are looking at more of a complete streets type of legislation with street coming in to allow bike lanes and sidewalks in areas and better access to transit.

Chairman DODD. Mr. Madonna, you've spent a lifetime in this business and industry.

Mr. MADONNA. Yes.

Chairman DODD. And 26 years, I think, is the number I recall saying you worked in the business.

Mr. MADONNA. Yes.

Chairman DODD. Tell us any thoughts you have on this, on increasing ridership, what needs to be done, how can we do a better job. Obviously there are financial questions, the operating costs, capital, I accept all of that, but beyond that.

Mr. MADONNA. Yeah, I agree with Karen. It starts with the service. You know, you're asking people to get out of their cars and get on the bus and come to work, and they need to do that conveniently. You don't want to add an hour in the morning and an hour in the afternoon to their day, and it's just not convenient. If you have the type of service that people can get to work within a reasonable amount of time, then you could start incentives for people, employer/employee incentives where maybe the employer could pay for half of a monthly bus pass, tax incentives, things like that and, you know, if you build it, they will come, you know, but I think it has to start with the improved service.

Chairman DODD. As well, I agree with that. Mr. Brown, do you have——

Mr. BROWN. Related to that, sort of the flip side of the $4 gas price, getting people onto mass transit, I think it was the Dallas system that 15 when it was new, they decided for a certain period of time, it may have been as little as a week or two, to let people ride it for—it was free, wasn't it, yeah, for free, just to give people to say, you know, what I'll give this a shot and, you know, and a certain percentage of those people are going to stick with it so you have to think creatively like that, too.

Chairman DODD. You found out you can read that morning newspaper, and all the things you can't do on your own.

Mr. MADONNA. At CT Transit several years ago we had a tri-transit—I think it was a day or a weekend. You got a voucher, and you got to ride the bus, and I think if you have incentives like that, but maybe give people a voucher for a week, they can really see how much money they can save by parking their car.

Chairman DODD. Yeah.

Mr. MADONNA. You need to get them—you need to get the ball rolling by getting them to get on the bus.

Chairman DODD. Yeah, and then it does become contagious even. If someone hasn't tried it, they see someone at work who has. This is pretty 16 good. It works well. I will got home on time. I got to work on time and, you know, sometimes it spreads as well. Well, I raise the issue of the—I don't know if CBI, if you prioritize any of these transit issues. They obviously—the Shoreline East is very important to southeastern Connecticut to complete New London and Old Saybrook. The big one, obviously, for many us is this New Haven to Springfield, which is regional. Again, given the density of the population of that corridor and obviously doing what we can Metro-North and so forth makes some sense as well. Is there a priority sense that CBI has in any of these projects? Have you taken such a position?

Mr. BROWN. Well, we really haven't, to answer your question. We try not to get into the argument which project is more merit than another. What we push for is that there be some, and preferably as objective as possible, priority analysis, so whether it's using like economic models like the REMI model or whatever. What we've tried to do is to push for policies that kind of take some of the politics outs of it and say listen. From a purely economic and social benefit standpoint, you know, this project ranks above the next one; and whatever that is, we're for it as long as long as that prioritization took place. But we don't generally get in the business of, you know, picking one project over another.

Chairman DODD. I urge you to look as well—I mentioned before this infrastructure bank idea, which is we spent a lot of time trying to develop this idea. I tell you a quick anecdote. Bob Carey, Chuck Hagel, rather, and I from Nebraska, he just retired from the Senate, my Republican colleague from Nebraska, we were cosponsors of this idea, and we did all the—we did 2 years of work in developing the idea, and we were deciding when to announce it, and Chuck Hagel, Senator Hagel came and said, "Well, let's announce it—" It was like the first week in August, 2007. I said, "If we announce this in August, no one in the world will even pay any attention to this at all. Just no one will come, and you'll end up with maybe two reporters that will cover this 2-year effort we put into this." Well, he said, "I would rather get it done now than rather wait until September."

So he prevailed in the argument, and we had the press conference and I was right. In fact, I was wrong. We didn't have two. We had one reporter show up to cover this wonderful idea we had spent so much time developing. That was at 10 o'clock in that morning. By 5 o'clock that afternoon Senator Hagel and I were probably on every television set in America, because at 4 o'clock in the afternoon the bridge over the Mississippi collapsed in Minneapolis, and I forget how many people died, I think 19, something like that, people died, a hundred more were injured, and all of a sudden infrastructure was a major subject matter that evening and for days afterwards.

You may recall people running around in every State determining whether or not the bridges were safe, the roads were safe, and everything else. So obviously if we had waited until September, we would have been accused of pandering responding to that situation than by having announced this thing 6 hours before it occurred. We looked as though we were onto something. I would urge you to take a look at this.

We are trying to get more people more interested in this idea of being creative, how we can finance and fund, whether it's operating, in this case, capital expenses, in ways that are just not going to be available to us. We all know what kind of condition we are in economically. We know the investments being made to try and get the economy moving again. They are already going to put us behind substantially, and I'm one that believes these investments make sense at this point to try and get the economy moving.

Nonetheless, they are going to put tremendous pressures on us to make investments in the coming days. So we need to be far more creative and imaginative if we are going to have any economic growth. If you can't make investments in human infrastructure and physical infrastructure, whether it's education or transit systems, the subject matter this morning, then that ability to grow in the 21st century is going to be severely curtailed by it.

So this is one idea. There may be many others out there, but I would invite your attention to you to look at it and let us know, particularly CBIA would be interested and your thoughts on it. We have had testimony, Phil from organized labor and others, and the national Chamber, by the way, has taken a strong position in favor of it. So we have had a rather interesting collection of people testify before the first hearing I held on the subject matter endorsing this idea of leveraging private capital with public dollars to see if we couldn't get some of these efforts underway, and get over at least some of the hurdles, the financial hurdles we face. So I invite your attention to that.

I want to thank you all. Listen. Can—again, we spent a lot of time on the subject matter, but you're helping us build a case and some ideas and thoughts, and I kept on used the line if they build it, they will come, and I was going to use that line with the Shoreline East, because I know one of the concerns we have is there enough ridership that will support that addition between New London and Old Saybrook; and I believe, again, if you look—like today, if you ran the first train tomorrow and said we are going to determine the success and failure on what happens in the first week, you might not get it. But if you build it, they will come, in my view, and you're seeing that kind of development.

And what I find interesting—I don't in you paid as much attention, but to the point we're getting as much traffic going from Stamford east as you would normally think everyone is heading west to New York, so you're getting a lot of traffic and now with Pfizers in Groton, of course, and the work at Electric Boat and others, there's a lot of economic development not to mention, of course, the casinos, and that part of the State that are also attracting a lot of population movement. So I think there's a good argument to be made if we get this moving, it will really provide some real relief as well in that corridor.

I thank all four of you. You've been very helpful to have your testimony, and I appreciate our audience that stayed around. I look out, I see some real people that have forgotten more about this than I'll probably ever know in the area of transit, and I appreciate their patience and participation here as well. We'll leave the record open. I'm going to make sure my other colleagues on the Committee, they may want to submit some questions to those of you as well. So we'll leave it open for a few weeks, and we'll submit some questions to you, if that's the case. I want to thank my staff. I want to thank Mitch Warren, who does a great job. Dawn, I thank you as well, and the clerk for the Committee, and Shannon, we thank you very, very much, a North Carolinian working for my colleague in Alabama so—you've been with him how many years now seven?

Ms. HINES. Nine.

Chairman DODD. Nine years been with the Committee, and does a good job as well. We thank her for participating and with that, the Committee will stand adjourned. Thank you.

[Whereupon, at 12:15 p.m., the hearing was adjourned.]

[Prepared statements supplied for the record follow:]

PREPARED STATEMENT OF JOHN DeSTEFANO, JR.

MAYOR,

NEW HAVEN, CONNECTICUT

APRIL 16, 2009

Chairman Dodd and honorable Members of the Committee, my name is John DeStefano, Jr., and I am the Mayor of the City of New Haven, Connecticut. I am honored to appear before you today to share my insight on climate change and transportation, as these pressing matters relate to the future economic standing of the Nation, to the environmental health of the States and to the overall quality of life for our citizens. This is an opportunity to share with you the New Haven experience and to make a case for national support for an integrated and sustainable transportation framework.

The Situation in New Haven and Connecticut

Connecticut's land use pattern is in many ways typical of the national experience. Central cities grew dramatically with the Industrial Revolution. Over time, however, residents settled further and further from the central core—first to suburbs, then to so-called "Edge Cities" and even to exurbs. Over 80 percent of Connecticut workers now drive alone to work and overall vehicle miles traveled on Connecticut's heavily congested local roads increased nearly 50 percent from 1986 to 1995. [1] From a climate change perspective, the cumulative effect of our land use decisions is staggering: transportation accounts for 40 percent of the Connecticut's greenhouse gas emissions. [2]

In New Haven, I am pleased to report a far more positive story. Over the past decade, New Haven has made great strides with dramatic improvements in the health of the city. Community indicators ranging from public safety to education and from economic growth to quality of life indicate positive change and long-term sustainability. The Downtown remains strong as evidenced by the 500-unit transit-oriented residential development now under construction at 360 State Street.

Sustainable transportation systems are one of many factors contributing to New Haven's success in recent years. More people live in Downtown New Haven than in the downtowns of many larger cities, including Denver, Detroit, and Charlotte. [3] Nearly half of the city's population does not drive alone to work; and, by percentage, more residents walk to work here than in any other New England city, including Boston. [4] We have two passenger railroad stations and a major public bus system and many New Haveners simply do not need or want to own a car. Rather, on any given day, you will see cyclists, motorists, and pedestrians all sharing city streets in an ever more appropriate balance for a community street.

New Haven's Economic Standing and Transit-Oriented Future

Two of our leading institutions—Yale University and Yale–New Haven Hospital—are global leaders and this elevates New Haven to measure itself on that scale. Our competitive advantages are in three basic economic sectors: advanced fabrication, research and development, and higher education. To compete in the global marketplace, our challenge is to (1) support these sectors as they excel in their economic sector; (2) create an environment conducive for residential and cultural activity within walking distance of major employers; and (3) enhance our quality of life in terms of cultural enrichment and environmental health so that New Haven remains a destination city for the Creative Class. [5]

Since these economic sectors are concentrated in the central business district and medical district areas, the city recently released "Downtown Crossing", a 20-year development framework for New Haven. A central focus of this effort is to reconnect the city and build a critical mass of transit-oriented urban land use by converting Route 34 from a traditional highway to an at-grade urban boulevard. From there, the city plans to initiate a fixed rail streetcar system which extends pedestrian mo-

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[1] Connecticut Economic Vitality and Land Use. Rep. New Haven, CT: Connecticut Regional Institute, 2003.

[2] Connecticut Climate Change: Working Together for a Climate We Can All Live With. July 2006. CTClimateChange. 15 Apr. 2009 *http://www.ctclimatechange.com/documents/FinalCT-2006-Inventory-V5.pdf.*

[3] Comprehensive Plan of Development. 15 October 2003. City of New Haven. Mayor John DeStefano, Jr., Mayor.

[4] Sohmer, Rebecca, and Robert Lang. Downtown Rebound. Fannie Mae Foundation and Brookings Institution Center on Urban and Metropolitan Policy, Census, May 2001.

[5] "Richard Florida—Creative Class." Creative Class The Source on How We Live, Work, and Play. Creative Class Group. 15 Apr. 2009 *http://www.creativeclass.com/richard_florida/.*

bility from the northernmost reach of the Yale campus to Union Station and the medical district. In the future, the city will be woven together seamlessly in a more organic, pedestrian-centered environment.

The economic impact associated with the short- and long-term development projects within walking distance of Union Station is promising. Short-term projects alone are expected to result in over 1,800 jobs and $200 million in gross regional product at stabilization. [6]

Route 34 East

The Oak Street Connector (Route 34) was conceived in the 1950s as a link for commuters to and from the Valley and to address dramatically increasing traffic volumes. Companion urban renewal-era projects designed to eliminate blight and substandard conditions in the Oak Street and Church Street neighborhoods were intended to redevelop the districts with more contemporary structures and land uses.

The section of Route 34 between the Air Rights Garage and Interstate 95 opened in 1959. [7] Additional right-of-way was acquired to the west, but this section was improved only with a pair of frontage roads. During the period from project inception to ultimate closure, the Oak Street/Route 34 effort displaced over 880 families and cleared 350 buildings. Adjoining neighborhoods were fractured, creating a clear division between the medical district and Downtown, as well as distinct residential communities to the north (Hill) and south (West River and Dwight) of the connector. [8]

The concept plan restores these neighborhoods by converting Route 34 to a community-scale urban boulevard and by converting excess right-of-way for new homes and businesses. Likewise, the project provides economic opportunity through mixed use development and encourages sustainable transportation systems through a balance of bicycle/pedestrian improvements and public transit enhancements.

The Route 34 East project ultimately results in 16 acres for new development by constructing a new street grid consisting of six traditional intersections and new city blocks between College Street and Orange Street—thereby bridging the city's medical district, Union Station, and downtown into a seamless transit-oriented development zone. Over the long term, this signature project for the city will create thousands of new jobs within walking distance of transit stops. For these and many other reasons, this project is our highest priority. [9]

New Haven Streetcar Project

The city, in cooperation with Yale University, is proposing a new fixed-rail streetcar line generally along the College Street corridor of the University's central campus. The entire line is approximately four (4) miles, connecting the central campus with the Yale University and Yale–New Haven Hospital medical district. The streetcar project fills a gap in the local public transportation system, as no public transit service currently serves a heavy pedestrian corridor running between central campus and the medical district.

As in Portland, Seattle, and other cities, the streetcar works from the national model of fixed rail transit in support of high density mixed use development. In New Haven, new growth is concentrated at the edges of the corridor, thereby enhancing the value public transit. At the northerly end, Yale University is planning to construct two new residential colleges, which when complete, will expand the undergraduate enrollment by approximately 15 percent. At Science Park, over one million s.f. (including 400 new residential units) are planned or under construction on the site of the abandoned Winchester Repeating Arms Factory. At the southerly end, the streetcar connects to the above-referenced Route 34 East development and, in Phase II, to historic Union Station.

Summary

As demonstrated here in Connecticut and across the Nation, we are faced with decisions on how to reduce congestion and how to dramatically cut greenhouse gas emissions. I argue for a sustainable transportation system that accomplishes both objectives.

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[6] Jones Lang LaSalle. Economic Impact Analysis Transit-Oriented Development District Union Station. December 2008. Economic Development Corporation of New Haven. 15 Apr. 2009.

[7] New Haven City Plan Department. 2007 Annual Report. 15 April 2009 *http://www.cityofnewhaven.com/CityPlan/pdfs/AnnualReports/Annual%20Report%202007.pdf.*

[8] New Haven City Plan Department. 2007 Annual Report. 15 April 2009 *http://www.cityofnewhaven.com/CityPlan/pdfs/AnnualReports/Annual%20Report%202007.pdf.*

[9] Jones Lang LaSalle. Economic Impact Analysis Transit-Oriented Development District Union Station. December 2008. Economic Development Corporation of New Haven. 15 Apr. 2009.

The Committee is encouraged to focus on the goals: compete effectively in the global economy and reduce substantially the Nation's greenhouse gas emissions. Investing in sustainable transportation systems, particularly ones that link residential neighborhoods with a region's basic economic sectors, is a pathway to reach both of these goals. With that in mind, your engaged support for transit-oriented systems is very much appreciated.

Thank you for the opportunity to speak and share with you the New Haven experience. I will be happy to answer any questions you may have on this matter.

PREPARED STATEMENT OF JOSEPH F. MARIE

COMMISSIONER,

CONNECTICUT DEPARTMENT OF TRANSPORTATION

APRIL 16, 2009

Good morning. I am Joseph F. Marie, Commissioner at the Connecticut Department of Transportation. I want to thank you for convening this hearing and allowing me to discuss the current and future transportation investment needs in Connecticut.

Our transportation infrastructure—our roads, bridges, ports, airports, buses, ferries, and trains—are essential to the economic well-being of our State and our Nation. In order to address the challenges in front of us and allow our citizens to prosper, our transportation system, while fundamentally safe and productive, must be preserved, strengthened, and enhanced.

The Connecticut Department of Transportation (Department), is unique amongst other State transportation agencies, as it owns and operates not only a highway system but also owns and operates two (2) commuter railroads, the New Haven Line and Shore Line East services which carry over thirty-four (34) million passengers a year. The statewide bus services include twenty-one (21) bus operations, which carry over thirty-five (35) million passengers per year—the State owns three of the largest and supports the remaining 19 bus services. The State also owns and operates six (6) public airports including Bradley International Airport—New England's second largest airport, two ferry services and one deep water seaport. In addition, the State participates in subsidizing several bus transit operations, dial-ride services, job access mobility services and other transportation demand services. A truly intermodal—operational—transportation agency.

Our transportation needs are many and all of this is taking place during a time when the cost of doing business is colliding with a current economic crisis.

This will require tough choices ahead for our State and the Nation. I can tell you that we are not alone. I have had the chance to talk with many of my peers from around the country and our State is not alone.

Many would argue that the state of our Nation's infrastructure has also reached crisis mode. In our State, the average age of our bridges is more than 50 years old and ranks as one of the highest in the Nation for age of bridges.

Over the past several years, Governor Rell and the General Assembly have overwhelmingly endorsed bold, comprehensive, and multi-modal transportation initiatives that have provided a major start on long overdue measures to meet Connecticut's transportation needs and assist the Department in its mission.

The Governor's 2005 Transportation Initiative was the largest capital investment in two decades in Connecticut's transportation system and included $667 million for new rail cars for use on the New Haven Line and Shore Line East; $300 million for new rail maintenance facilities; $187 million for operational improvements and congestion mitigation measures for I-95 between Greenwich and North Stonington; $150 million for improvements to other State and interstate roads; and $7.5 million for new transit buses.

A year later, the Governor and General Assembly approved another multi-modal transportation bill that provided for important projects such as the New Britain—Hartford Busway and the New Haven–Hartford–Springfield (NH–HFD–SPR) Commuter Rail Service including shuttle service to Bradley International Airport. Both projects had been under consideration for many years and outlined in the Department's Master Plan and will provide the needed expansion to support mobility and will support economic development. The 2006 initiative also supported the rehabilitation of rail passenger coaches for use in commuter service, the West Haven/Orange Rail Station and parking, capital improvements on the Branch Lines, parking improvements on the New Haven Line, Shore Line East, and the Branch Lines, highway infrastructure improvements projects and rail links to the port of New Haven.

Again in 2007, the Governor and General Assembly continued their commitment to improve and enhance the transportation system in Connecticut. In particular, a "Fix It First" program for the rehabilitation and rebuilding of roads and bridges was established for fiscal years 2007 and 2008—$60 million for roads and $90 million for bridges. Rail station improvements identified in the New Haven Line Train Station Visual Inspection Report ($6 million total) and a parking garage at the Stamford Transportation Center.

All these projects all have significant transportation benefits for travelers and commuters as well as opportunities for transit-orientated development and the Department has been aggressively working on their implementation since passage of that bill.

The State of Connecticut has provided specific transportation funding investments that will build upon our regular Federal transportation program in order to continue a balanced approach so that Connecticut's transportation system enhances the general quality of life, economic development, and increase in productivity and movement of people and goods in a safe, efficient manner.

In fact, in 2007, Connecticut had the highest per capita State investment in transit funding, followed by our border States—Massachusetts and New York. The importance and significance of passenger rail service is clearly demonstrated in Connecticut.

While we're enhancing and expanding transit services in State, we still have significant preservation challenges ahead.

ConnDOT's Capital Needs

In order to provide a safe, efficient transportation system that meets the mobility needs of people and freight within the State and the region, the Department has identified a five point action plan that identifies the major areas for prioritizing and emphasizing investments for all modes of transportation:

- Preservation—State of Good Repair;
- System Modification (Safety);
- System Productivity—Efficiency;
- Economic and Environmental Impact—Quality of Life; and
- Strategic Capacity Improvements.

While our needs on our highways and bridges are great, for purposes of this hearing, I'm going to focus on the capital needs for public transportation.

On the rail side, the Department's major capital improvements needed for state of good repair and system capacity improvements include the following:

- New M8 Rail Cars—(380 cars): $686M (CT share) Funded
  - M4/M6 Rehab/Replacement: $210M (CT share) Unfunded
- New Haven Rail Yard Expansion—
  - Tier 1: $847M Funded
  - Tier 2: Car Wash $ 57M Unfunded
  - Tier 3: Deferred Elements $178M Unfunded
- Modernization of Catenary/Moveable Bridges—New Haven Line—
  - C1B: $140M Funded
  - C1A: $600M Unfunded
  - C2: $975M Unfunded
- Mainline Signal System: $310M Unfunded
- Track Program: $200M Funded
- Positive Train Control: $52M (CT Share) Unfunded
- New Haven–Hartford–Springfield: $600—$700M Unfunded
- Shore Line East Station Expansion: ($97M)$40M Funded/$57M Unfunded

Summary—Total: $5.052B; Funded: $1.913B; Shortfall: $3.139B.

The projects I have noted reflect current estimates of major rail capital needs and does not account for other routine capital maintenance needs.

It is important to note that in addition to these projects, there will likely be further system enhancements as a result of the Department's ongoing branch-line studies. Early estimates on the Danbury Branch alone are somewhere in the vicinity of $300 million with passing sidings, track realignment, electrification Norwalk-Danbury and extension to New Milford. Station and parking improvements and year of expenditure considerations would likely increase this amount. While no estimates have been developed to date for the New Canaan and Waterbury branches, there will also be significant improvements identified once the studies are complete.

Shore Line East will also require necessary catenary and capacity enhancement improvements.

On the transit side, the Department's major capital improvements needed for State of good repair and system capacity improvements include the following:

- Systemwide Bus Replacements: $270M (Partially Funded)
- Systemwide Bus Mid-Life Overhauls: $20M (Unfunded)
- New Britain–Hartford Busway: $569M (Partially Funded)
- CT Transit—Hartford Facility Rehab: $30M (Partially Funded)
- Waterbury Bus Maintenance Facility: $120M (Partially Funded)
- Northwest Transit District Maintenance Facility: $20M (Partially Funded)
- Windham Transit District Maintenance Facility: $20M (Partially Funded)
- Southeast Area Transit Maintenance Facility: $20M (Partially Funded)
- Housatonic Area Transit Maintenance Facility: $3M (Funded)
- Greater Hartford Transit District—Union Station: $20M (Partially Funded)
- Greater NH Transit District Maintenance Facility: $30M (Unfunded)
- Milford Transit District Facility: $15M (Unfunded)
- Systemwide Intelligent Bus Investments (Fareboxes, radios, AVL): $40M (Unfunded)

Not included in what I have discussed is what it would take to modernize existing freight lines to support regional growth.

Ridership on the New Haven Line is up 3.9 percent and 18.1 percent on Shore Line East. Ridership on our statewide transit system was also up 4 percent over the last 12 months. Connecticut has continually upgraded and improved its New Haven Line, over which Metro-North and Amtrak operates, to a tune of over $120 million annually.

While the State has made significant investments over the past few years, our ability to keep pace with systems infrastructure requirements will be problematic. In order to expand rail service within the State, we will need additional Federal funding in the next authorization bill. If not, we're ultimately going to have to balance our state of good repair needs with system expansion.

In all of these efforts, the Federal government is a critical partner in the success of these initiatives.

Transportation Authorization. SAFETEA–LU provided Connecticut an estimated $3.2 billion for highways and $713 million for transit (FFY 2004–2009). This amounts to about 66 percent of Connecticut's transportation program.

AASHTO has calculated that Congress should fund a $545 billion multi-modal program, including highways, public transit, intercity passenger rail, and freight.

The Department and the Northeast region both believe that there needs to be a strong Federal role in transportation policy and financial investment is essential to achieving the mobility that underlies the broader public policy goals. As Congress begins to debate the next transportation authorization bill, it's important that investment levels over the longer term correlate with documented needs.

The Department has been working over the last few years with organizations such as the American Association of State Highway and Transportation Officials (AASHTO), the American Public Transportation Association (APTA), the Council of Northeast Governors (CONEG) and the Northeast Association of State Highway and Transportation Officials (NASTO) on authorization principles as well as program specific recommendations. It is fair to say there are many similarities in their surface transportation authorization principles that advocate for:

- A strong Federal role in a comprehensive national transportation policy;
- An increased Federal financial investment;
- A financial commitment and strategy to preserve and maintain the existing transportation infrastructure, including highways, transit, and rail;
- Commit to policies that will ensure investments are made strategically;
- Expanding revenue sources;
- Investing holistically;
- Improving program administration—Simplifying Federal transportation programs and regulatory processes and reducing project delivery time to create a more efficient and effective transportation program;

- Integrating Federal policy and strategic investment for all modes of passenger and freight transportation, including the development and collection of adequate and appropriate data for all modes; and
- Strengthening support for transit and intercity passenger rail to provide energy efficient and environmentally sound options for managing the carbon footprint of transportation systems.

We need policies that support maximum flexibility for the States and maintain the existing flexibilities of the current surface transportation programs that allow for the inclusion of rail projects. Given the magnitude and diversity of needs, State and local governments should be provided with the maximum discretion to make the investments that are right for our State, local, and regional requirements

Continuation or modification of surface transportation authorization transit programs are necessary. For example, the Department recommends simplifying the New Starts and Small Starts Program, continuation of the Railroad Rehabilitation and Improvement Financing (RRIF) Loan Program, the Rail Line Relocation and Improvement Program and the Fixed Guideway Modernization Program. The current formula for Fixed Guideway is extremely beneficial to States like Connecticut and New York whose transit systems operate over established older networks.

Transit is a particularly important regional asset in the Northeast, providing mobility for ten billion riders annually within and among communities, both urban and rural. Effective transit systems can provide energy efficient and environmentally sound options for managing the carbon footprint of transportation systems.

Public transportation also contributes to creating economic growth. APTA estimates that every $10 million in public transportation capital investment yields $30 million in increased business sales, and that every $10 million in operating investment in public transportation yields $32 million in increased business sales. Further, every $1 taxpayers invest in public transportation generates $6 in economic returns.

Transit is clearly an integral part of the national transportation system and must continue to receive sustained, assured, dedicated Federal funding.

Thank you for giving me this opportunity to discuss Connecticut's current and future transportation needs as you begin the process of drafting surface transportation authorization legislation. I will be happy to answer any questions you may have.

PREPARED STATEMENT OF HOWARD PERMUT

PRESIDENT,

MTA METRO-NORTH RAILROAD

APRIL 16, 2009

Good morning, Chairman Dodd, Members of the Committee. I am Howard Permut, President of Metro-North Railroad and I appreciate the opportunity to testify today on "A 21st Century Transportation System: Reducing Gridlock, Tackling Climate Change, and Growing Connecticut's Economy."

I was appointed President in July of 2008, but I am by no means a newcomer to Metro-North. In fact, I was part of the original Metro-North management team and have seen first hand what is necessary to create a viable transportation system and how that system, in turn, can help create a vibrant regional economy.

Metro-North service has made it possible for this region to remain strong and to grow. The business community has choices that are the envy of the rest of the country. They can elect to house their corporate offices in the middle of Manhattan or in the middle of cities and towns that were considered part of suburbia not too long ago. Our solid schedule and reliability has facilitated the creation of employment centers in White Plains, Greenwich, Yonkers, and Stamford. The city of New Rochelle has developed an entire new residential district around our train station. Fordham station in the Bronx is our 4th busiest station—and it is mostly used by people heading away from New York City to jobs in Westchester and Putnam counties. When the Dia museum was seeking a location, it chose Beacon, New York—adjacent to our train station there.

Metro-North is no longer just a "commuter" railroad serving the traditional New York City-centric business market. More than 50 percent of our customers every year are travelling either to work locations outside the city's limits or taking discretionary trips to the theater, museums, or summer homes as far away as the Berkshires—trips that help fuel the rest of the region's economy.

The railroad is also a lifeline to ensuring mobility while reducing reliance on the automobile. Every day, almost 4,000 people travel to Stamford from points east.

Without Metro-North service to carry these people, you would need to add one lane in each direction on I-95 to handle the additional cars on the road. Investing in a safe, reliable, efficient railroad to do this work and reduce traffic seems like a better bet.

Before I go further, however, let me put Metro-North's role here into some context. Metro-North was created in 1983 as a wholly owned subsidiary of the Metropolitan Transportation Authority in New York.

Through a comprehensive and complex service agreement between the MTA and the Connecticut Department of Transportation, Metro-North assumed the operation of the New Haven line commuter service from bankrupt or near-bankrupt freight carriers.

The New Haven Line itself is largely a 4-track railroad, 75 miles long with 36 stations in Connecticut and 8 in New York. Most of the stations in Connecticut are owned or managed by local communities.

We assumed operation of this and its sister lines in New York, the Hudson and Harlem, after years of underfunding. The lack of investment brought those operations to the brink of disaster.

Annual on-time performance averaged 80 percent—barely. Annual ridership was falling—roughly 42 million. It wasn't difficult to figure out why. Rail cars were dirty, dark, hot in the summer, cold in the winter, and breaking down more frequently than they were running. Forget a seat for every customer. There was barely standing room for every customer. The power systems—both the system that distributed the electricity and the ones that fed electricity to the trains—were old, inefficient, and insufficient for a modern railroad's needs. We were afraid to conduct customer surveys. Letters told us clearly enough what our customers thought of us.

Today, while we would all agree that there are still improvements to be made to Metro-North and the New Haven Line, the infrastructure is in better shape than it's ever been.

Last year, on-time performance systemwide was 97.5 percent; New Haven Line performance was 97.0 percent. Metro-North also posted another record ridership year and doubled the amount of riders since our inception. Over 84 million customers travelled systemwide in 2008, with 37.9 million on the New Haven Line alone.

ConnDOT has begun replacing the catenary system—the overhead wires that power the trains—section by section. Funding has also been secured to order 300 new railcars that will begin to arrive next year. These railcars will replace 40-year-old vehicles that we continue to triage but which are undeniably past their useful life. They will also add much needed seats for customers who have been flocking to our New Haven Line service.

And we began conducting surveys in the late 1980s. Last year we hit two milestones. A total of 94 percent of our customers on all three lines indicated they were satisfied with our service. And we were particularly gratified that, for the first time, 90 percent of New Haven Line customers gave us a "thumbs up."

By constant vigilance and attention to detail, Metro-North has become an important part of the communities it serves. However, it would be dangerous to take our contribution to the region's economy and mobility for granted.

As an active participant in the evolution of both Metro-North and the New Haven Line, I can tell you with certainty that there is no magic wand that will make these types of improvements possible. You need certain ingredients to be successful.

First, you need good partnerships. We are fortunate to have leadership at the Connecticut Department of Transportation working with us to improve public transportation in general and our railroad specifically.

Second, you need a committed workforce. A company cannot achieve the levels of reliability, satisfaction, and quality and get the return business we get without most everyone pulling together to produce a premier product. We have 5,800 employees at Metro-North. Over 1,500 are Connecticut State residents. Almost 1,400 work within the State's borders. I'd say we have a vested interest in doing our best.

Third, you need a plan that is strategic, comprehensive and that moves your organization toward achieving what's important.

And when you combine all these ingredients and prepare to execute your plans, you'd better have one last thing. You'd better have the money to carry them out.

I'm not talking about funding individual projects. I am talking about a stable, sufficient, dedicated, multi-year funding stream. It makes everything possible. Our experience at Metro-North is the example.

Since our creation in 1983, we committed ourselves to identifying and executing investments that have addressed our State of good repair (SOGR) issues, and accordingly have allowed us to reduce maintenance needs, operate as efficiently as possible and reduce reliance on taxpayer subsidies. As a result, our fare operating ratio has gone from 38 percent to 55 percent—which means that more than half of our expenses are now covered from fares, one of the highest ratios in the country.

We were also fortunate to have benefitted from visionary leadership in New York State when then MTA Chairman Richard Ravitch worked with State lawmakers to create a dedicated, stable means of funding infrastructure investment. These 5-year capital programs have allowed us to replace equipment, rebuild bridges, tunnels and track, install modern, efficient technology solutions for everything from reliable train operations to adding capacity to increasing customer amenities.

In all, we have invested $6.3 billion in our system. Those investments have gotten us this far. Don't be fooled, however, into believing that we are done. We are far from it.

Metro-North is currently finalizing its 20-Year Needs Assessment. In an unconstrained world, we estimate that we will need to invest $12 billion in our infrastructure and rolling stock for the railroad to maintain SOGR and to keep meeting the needs of this region, exclusive of the need to expand Metro-North to regions we don't serve today. In the 2010–2014 timeframe alone, we are looking to fund projects totaling $1.9 billion.

Whether you look at the 20-Year Needs or the next 5 years, the type of projects break down the same way. Almost 90 percent of that amount is required to either bring us to a state of good repair or to replace equipment and infrastructure that is at the end of its useful life. Approximately 7 percent of that amount has been identified for projects that will help us increase ridership or that will add capacity to carry additional riders.

Metro-North has also identified billions of dollars to build projects that expand our reach and further improve mobility in the region. These expansion projects include providing service from Metro-North's system to Penn Station, building a public transportation system across the Tappan Zee Bridge and across the I-287 corridor, and increasing Metro-North service in Orange County, New York and extending it to Stewart Airport.

When we turn to Connecticut, we see the potential for a further rebirth of commuter rail service. Metro-North has just completed a study of our communication and signal systems to determine what improvements will be needed to meet the New Haven Line's service requirements through 2030. This study would also include Amtrak's Northeast Corridor Service and those Shoreline East trains that operate to and from Stamford on the main line. Metro-North has already replaced outmoded signal locations and vital signal cables. We have completed the design of the new system as far as Greenwich. ConnDOT just awaits additional funding to extend this improvement further into Connecticut.

As a result of last year's Railway Safety Act we will also incur significant costs to install a Positive Train Control (PTC) system on virtually all parts of our railroad. PTC was mandated by Congress in the wake last year's collision in Chatsworth, California. It will require us to design and install an additional feature to the signal system on our trains and tracks with the intent to further minimize the risk of a similar accident. This re-engineering must be carefully and precisely done so as not to compromise the system you're trying to improve. Initial estimates put the cost of this system in the half-a-billion range and the work must be done by 2015. This is an ambitious schedule WITH funding—and currently no funding has been identified. Frankly, we will be looking at funding sources at the Federal level to help us meet this Federal mandate.

Another essential project that is underway is the Catenary Replacement project for the entire New Haven Line. The New York State section has been completed. The preponderance of this critical power structure, however, is located in the State of Connecticut. ConnDOT has been progressing this work and approximately 36 percent of the overhead wire has already been replaced. This project also benefits the Northeast Corridor.

In addition to the current commitment for 300 new railcars, we have begun discussing an option to buy additional cars to expand service.

Lastly, in addition to investing in railcars, Connecticut DOT understands that it is equally important to invest in modernizing the facilities that are required to repair them and the infrastructure that allows them to operate at their best.

ConnDOT is managing and funding investments in our shops and yards in New Haven and Bridgeport. The shop needed to make running repairs was completed last year. A new facility to conduct the rigorous acceptance testing required to put the new M-8 cars in service is being built and will be ready when the cars arrive. A shop dedicated to component changeouts, which will greatly help facilitate repairs of major units like traction motors and trucks and return cars to service more quickly, is at the 90 percent design level and will be advertised for bids shortly. The expansion of the East Bridgeport Yard to store additional trains is at the 30 percent design level and is proceeding well.

And last but not least, ConnDOT is working with United Illuminating to ensure that we have sufficient power on the railroad to operate the additional service that the New Haven Line so desperately needs.

A full funding strategy and comprehensive project implementation plan are being formulated by ConnDOT for all of these improvements. Similarly, we await legislative movement in New York on a funding plan for the needs we know we have to address during the next 5 years. I continue to be optimistic that a plan will be approved and funded in both States shortly.

Why? I am convinced that the elected officials understand the importance of public transportation to the region's economy. I know the business leaders in this area understand it. And, frankly, we are a lifeline to many of your State's residents—our customers.

Yes, it's a lot of money. And yes, it is a lot of money to invest in one part of your infrastructure. But it is not only an important investment in the railroad's future. It is also an important investment in the region's economic health and the quality of life that it provides. Metro-North's history is illustrative of that fact.

And, in this case, history must repeat itself. Or we will all be poorer for it.

We look forward to working with you, Mr. Chairman, your staff, and other partners in Congress to address some of these issues in the upcoming surface transportation reauthorization bill later this year. On behalf of the Metro-North and the entire MTA family, I thank you for your interest and your support.

Thank you. I will be happy to answer any question you may have.

PREPARED STATEMENT OF JOE McHUGH

VICE PRESIDENT,

GOVERNMENT AFFAIRS AND CORPORATE COMMUNICATIONS, AMTRAK

APRIL 16, 2009

Amtrak in Connecticut

- Northeast Corridor and Springfield Line
  - 46 daily trains (Acela, NE Regional, Vermonter, Springfield Shuttle)
  - 1.6 million boardings and alightings from 12 stations in FY08
- Important economic presence
  - Spent $67.3M for goods and services in FY08
  - Employed 544 Connecticut residents, $39.8M payroll
- Several major engineering projects in coming years:
  - Replacement of Niantic River bridge ($100M)
  - Replacement of two bridges in Stonington and at Miamicock River; major repairs to others
  - Station improvements (ADA compliance, accessibility, security)
  - Total stimulus investment of nearly $142.8M
- Formerly a double-tracked 62 mile line, now single track with some passing sidings
- Expect to complete 2 year recapitalization project in FY09
  - Currently replacing ties—up to 130,000 in current and previous FY—will allow us to lift some speed restrictions and bring track to SOGR
  - Will need continued investment to attain state of good repair, including:
    - Hartford Viaduct (must replace to double-track the line)
    - Connecticut River Bridge
    - Grade crossing needs
- 12 daily passenger train movements (Amtrak)
- About 10 daily freight movements
- Planning for capacity needs of this line is ongoing
  - NEC Master Planning process
  - Involves Amtrak, State DOTs, and partner rail authorities
- CDOT interested in operating commuter services
- Amtrak is considering service improvement on the route in the long term
  - Master plan process extends through 2030

  - Route designated for development as a high speed intercity corridor
  - Need to reserve capacity for an hourly intercity frequency
- Scale of the proposed commuter operation is not yet determined
  - Capital needs will depend on desired frequency
  - Even basic operations will require some additional infrastructure
  - For denser operations (*e.g.,* multiple frequencies per hour), will almost certainly need to double track
- Any track reconfiguration plans must accommodate freight and intercity needs, and will require FRA approval
- Intercity operations limited by agreements that set a ceiling on number of daily trains
  - Designed to limit traffic over movable bridges during boating season
  - Originally 34 Amtrak trains per day
- Raised to 38 per day in 2003
  - Some SLE trains eliminated
  - In exchange, SLE passriders allowed on certain Amtrak trains
- CDOT began SLE commuter rail expansion plan in 2007
  - Phase I (add'l frequencies, weekend service) summer 2008
  - Phase II (extend all trains to New London) bridge restrictions limit frequencies
  - Phase III (electric, bidirectional service by 2012) requires additional M-8 EMUs and likely infrastructure modification (electrical generation capability is a potential need), including electrification of station sidings and added interlockings
- Amtrak wants to work with CDOT to develop the Springfield line
- This line is representative of the types of improvements we would like to make in coming years
  - Faster service
  - Reduced trip time
  - More frequencies
  - Incremental development
  - Enhance intermodalism
- The time is now
  - Federal funding
  - Federal and State policy
  - Strong support from the Administration

PREPARED STATEMENT OF RON KILCOYNE

CHIEF EXECUTIVE OFFICER,
GREATER BRIDGEPORT TRANSIT

APRIL 16, 2009

Introduction

Good morning Senator. My name is Ron Kilcoyne and I am the General Manager/ Chief Executive Officer for Greater Bridgeport Transit. In addition to my role at the GBT, I have spent 29 years working in the provision of public transportation—promoting its importance in healthy communities. In addition to my work at the GBT, I serve at the Chairman of the Bridgeport Chamber of Commerce, Chairman of the Land Use and Transportation subcommittee of the City of Bridgeport's sustainability effort (BGreen 2020), Chairman of APTA's Urban Design Standards subcommittee as well as APTA's Systems Management, Operations and Planning subcommittee.

Thank you for the opportunity to offer testimony at this morning's hearing. Forums such as these ensure that the comments of public transit providers and others interested in the role public transportation plays (and will play) in healthy communities, the Nation's energy, environmental and economic policies are considered.

I would also like to thank you for your efforts on our behalf. Your commitment to public transportation can be seen throughout our system. Today, thousands of riders are traveling to work and school using services made possible under the

JARC program, new interregional bus service has been established along the congested I-95 corridor in south western Connecticut (providing over 100,000 trips per month), riders in the Bridgeport region are benefiting from the new bus station in Downtown Bridgeport and GBT is beginning design work on a project to improve and expand our maintenance facility to allow for growth over the next 15 years—all made possible through your commitment and with funding under SAFETEA–LU.

My testimony will focus first on the overarching benefits of public transportation in many areas of critical importance to our future at the national, State and local levels. More importantly, I would like to comment on the capital and operating needs of public transportation and how these may be considered and address in upcoming legislation. I will conclude with specific recommendations for future funding using a Connecticut example.

Overarching Benefits of Public Transportation

The need for increased investment in public transportation has never been greater. Public transportation will necessarily play an increasing role in addressing some of the Nation's most pressing issues including reducing dependence on foreign oil, improving our environment and decreasing demand for nonrenewable resources, helping to put people back to work, providing access to essential community resources for people from all walks of life and providing an immediate alternative for those not wanting to join congested highways.

Investment in public transportation in Bridgeport has lead to new services to major employment centers, extended service spans helping second and third shift workers and our services are heavily utilized—we have experienced an 11 percent growth in ridership in the last 6 months of 2008 and the growth continues.

More and more, people are turning to public transportation as their mobility choice and we need to expand the services to meet the new demand and take advantage of all of the benefits public transportation brings to healthy communities—there has never been a better time than now.

As I stated in my introduction, I have been involved at the policy level with the American Public Transportation Association (APTA) for many years. APTA has conducted their own research regarding the impacts of public transportation and assembled the findings of others. While I will not dwell on these facts as they are readily available in much greater detail, I would like to briefly cover some of the benefits of public transportation regarding:

1. *Dependence on Foreign Oil*—Riders using public transportation save the Nation the equivalent of 4.2 billion gallons of gasoline annually. Public transportation riders also save the equivalent of 900,000 automobile "fill-ups" every day. These benefits grow as the cost of fuel rises.
2. *Public Transportation and Moving the Economy*—For every $1 billion invested in federally aided public transportation projects approximately 30,000 jobs are created. The funding from the ARRA will create over 250,000 jobs for Americans. Secretary LaHood had it right when he said "We are the Federal agency most responsible for keeping people working." Every $10 million invested in capital returns up to $30 million in business sales alone and every $1 invested in public transportation returns $6.
3. *Public Transportation and Our Environment*—Public transportation services offer an immediate alternative to people wanting to reduce their "environmental footprint." A rider switching from a 20-mile roundtrip commute will cut his/her CO2 emission by 4,800 pounds per year and public transportation "saves" 37 million metric tons of CO2 annually. These are some of the benefits of using public transportation and they will grow in the future as transit providers transition to more fuel efficient or new technology vehicles. In addition, many agencies are incorporating environmentally friendly elements into the design of their facilities and stations. At Bridgeport, our new facility expansion project will be designed for LEED (Leadership in Energy and Environmental Design) certification.
4. *The Importance of Transit-Oriented Development and Healthy Communities*—Americans living in areas served by public transportation save 541 million hours of travel time and 340 million gallons of fuel annually. Public transportation is a critical component of the City of Bridgeport's Transit-Oriented Development (TOD) and sustainability efforts that are now in full swing. The City of Bridgeport is determined to reduce its carbon footprint and improve urban air quality. It is reducing minimum parking requirements and is actively seeking dense infill without increasing roadway capacity all of which will require a significant increase in transit use. Public transportation provides an immediate alternative to contributing to congestion, and dependable accessibility for

people of all walks of life (seniors, riders with disabilities, students, employees). Households cost are reduced significantly for those choosing public transportation.

5. *Local Benefits*—The local benefits of bus transportation that we provide in the Bridgeport region have been great—ridership is growing, JARC and DSS funding has been used to implement new services. Some limited new State investment in bus transit has allowed for service improvement. We have a queue of projects ready for implementation and this will continue this if the capital and operating investment is there. Other transit providers around the State have service improvements ready to go. There is clearly a need for greater and more reliable investment in public transportation.

Public Transportation Needs

The benefits of public transportation are clear. In Bridgeport, throughout Connecticut and across the country, people, for the reasons I just mentioned, are finding public transportation (all modes) an attractive alternative to driving alone. How then do we sustain this momentum and reap the environmental, economic development, and energy rewards the increased use of public transportation can bring? By recognizing the importance and increasing capital and operating investment—increasing Federal funding and offering creative incentives to encourage increased State and local investment in transit operations and improved coordination with land uses. We need to fund the efficient expansion of our public transportation services and improve access to them—this is true locally in Bridgeport and throughout the Nation.

Capital and Operating Needs—Before the infusion of capital funding under the ARRA, it was difficult to secure the local match for projects (other than rolling stock and facilities) to be funded under FTA formula or discretionary programs. This difficulty is likely to continue after the initial ARRA funding is exhausted. The Connecticut Department of Transportation has been enormously cooperative in helping the Bridgeport region with their 2009 and 2010 capital plans and today we are working with the Department on several large capital projects including the replacement of 15 buses and the possible purchase of buses to expand our fleet. However, additional Federal funding and additional local match are required to meet the current and future capital needs. Transit agencies also struggle with the inability to plan service improvements and expansions on a predictable and reliable schedule. There have been occasions where additional operating investments are proposed without the required capital investment and there have been occasions where capital funding is made available with no associated operating funding.

Encouraging New Operating Investment—The next surface transportation authorization legislation should include, as a major component, incentives, conditions or new programs that encourage States and local governments to invest more in public transportation operations. There are several alternatives to explore in this area including:

1. *Incentives*—The creation of an incentive program for States to invest in new and expanded transit operations. This could include bonus grants to States and/or regional entities that have the highest levels of transit service and highest increases in transit service as well as incentive payments to States that allow gas tax and other road user fees eligible for transit use. H.R. 1827 is a good start. However, there are ways it could be improved. First, it should reward outputs (*e.g.,* service hours per capita or ridership per capita) instead of inputs (dollars spent) to assure that the investment is resulting in desired outcomes and to use a measure that has the same value in all locales. Second, the amount of these incentives needs to be increased to have impact. However, the bill does allow for the incentives to be used for either transit or road use. While we don't want to encourage new roads, this is good since recipients are more likely to be motivated by this program.
2. *Conditions*—Conditions may be placed on any new funding available through authorization which would require new investment in transit operations. In order to access funding from a number of "pools", local and State governments would be required to commit higher levels of service in new or existing public transportation modes. As with incentives conditions should be based on outputs rather than inputs.
3. *Modifications to Programs/Regulatory Requirements*—ARRA requires no State or local match and these projects are moving quickly. Consideration should be given to modifying local match requirements for the capital programs so that State and local governments would be able to match capital funding with new investment in operations. This alternative helps to address the capital vs. oper-

ating "catch 22" I mentioned above. States and local governments would be encouraged to identify new and creative sources of operating investment and would be assured that the requisite capital elements of the service would be in place.

4. A combination of all of these alternatives may have the biggest impact.

Access to Public Transportation—How accessible is our public transportation system? The extent to which our services in Bridgeport and across the State are "accessible" or available goes beyond our ability to implement new routes or add or extend service hours. It must be considered as part of planning, development and urban design efforts. There is a need at all levels to incorporate public transportation access to stations, stops and new developments as they are being planned. Consideration should be given to creating incentives or conditions on funding which encourage or require close land use/public transportation planning. The incentives and conditions referred to above for increased State and local investment in transit can be used as models of developing the incentives and conditions for assuring States and local governments address the access to transit issue as well.

Specific Recommendations

Capital Funding—At the State level, there is a need to commit to longer term capital planning/funding for facilities and rolling-stock. Consideration should be given to longer term "authorizations" with annual appropriations and minimum guarantees. This would allow for steady and efficient growth of the State's transportation infrastructure.

Local (State) Needs—To illustrate the need for increased levels of transit service, Transit for Connecticut, a coalition of businesses, the Connecticut Fund for the Environment, AARP and over 30 other agencies, has conducted a study which evaluated the need for additional capital and operating investment in public transportation. The study concluded that the State would require a steady increase in operating investment to reach an additional $63 million to provide optimum (bus) transit levels (1.8 million hours of service) and an additional $215 million in the associated capital investment. I have included this report and its executive summary as an attachment to my testimony.

National Needs—In the upcoming authorization—no less than $123 billion over the course of 6 years coupled with strong guarantees is recommended. There is also a need to ensure steady and predictable funding from the Highway Trust Fund or new revenue streams as revenues from Federal motor fuels taxes declines. Ironically, partially as a result of the successes in public transportation and other efforts to reduce VMT (Americans drove 90 billion fewer miles in the last 11 months of 2008), Congress will need to change the Nation's approach toward funding the transportation infrastructure.

Flexibility—While under the authorization all transportation programs should grow at the same, we would like to see some level of flexibility in the 5310 (Capital), 5316 (JARC) and 5317 (NFI) programs, allowing locally coordinated human service transportation planning groups determine the most appropriate approach to investment of these funds in their respective regions. Combining these three programs into one will result in more effective use of the funds.

I hope that my comments are of value during the dialogue that will take place as authorization and other legislation is being considered. I will be available at any time if you or your staff has any questions or require any additional or support materials. Thank you again for the opportunity to comment and for all of you efforts on our behalf.

PREPARED STATEMENT OF JAMES S. BUTLER

EXECUTIVE DIRECTOR,
SOUTHEASTERN CONNECTICUT COUNCIL OF GOVERNMENTS

APRIL 16, 2009

Good morning, Mr. Chairman and Members of the Committee, my name is Jim Butler and I am the Executive Director of the Southeastern Connecticut Council of Governments (SCCOG), which represents 20 municipalities in the southeast corner of the State. We are the region's Metropolitan Planning Organization (MPO), which under Federal surface transportation law makes us responsible for planning transportation improvements in our region. Thank you for convening this field hearing in Connecticut, and for asking me to participate as a witness.

I have been asked to provide perspective on a number of transportation issues facing our region including:

- Transit needs in southeastern Connecticut
- Congestion of traffic on highways from tourism and other factors
- Intermodal facilities in the region
- Extending Shore Line East from Old Saybrook to New London
- SCCOG's Proposed Tourist Transit System
- How to improve the transportation system with transit in southeastern Connecticut

Transit Needs in Southeastern Connecticut/Congestion of Traffic

While our region is particularly well served by highways, southeastern Connecticut is somewhat transit poor. That this is the case is a function of history, geography, and our population density. However, times are changing, and over the past 20 years there has been an increasing demand for more transit service to, from, and within southeastern Connecticut as two of the world's largest gaming facilities were constructed, new shopping centers and subdivisions were built, roads became more congested, and fuel prices began to increase. Traffic on some of the region's major State highways has increased by as much as 150 percent depending upon the highway's location, and at certain times of day or in a particular season a significant number of the region's roads have Volume to Capacity ratios in excess of 1.0, meaning they are congested to the point that the amounts of traffic they are carrying exceed the capacity of the road. All this means that the region needs more transit, and while the Southeast Area Transit (SEAT), our region's bus provider, capably serves its nine member towns, it is a small system with low service levels that primarily serves the region's transit-dependant population and is not considered a viable alternative by those who still can afford to travel by private automobile. Both casinos do offer privately operated transit alternatives to their patrons, but they still attract thousands of visitors daily that travel to the region by automobile at all hours of the day and night. In addition to SEAT, there are some small paratransit providers in the region, but these are intended to provide transportation services to the elderly, handicapped persons, and other persons that do not have access to a private automobile.

Intermodal Facilities in the Region

The southeastern Connecticut region has long been blessed by the location of a number of transportation providers in proximity to one another in New London. We have called this confluence of modes the region's Intermodal Transportation Center where high speed and conventional rail, ferry service to Block Island, Long Island, and Fishers Island, long haul bus, taxi service, and public and private parking facilities all serve the travelling public. However, the transportation services are all independently owned and operated so there is little coordination between them that could make this a world class transportation center. Recognizing this fact, the SCCOG and the Connecticut Department of Transportation (ConnDOT) initiated a study last year that is about halfway complete, that will identify physical and operational improvements to tie all these modes of travel together, making it more convenient and safer for passengers. To compound the fragmented nature of these transportation services, Union Station, the historic and architecturally significant railroad station around which all the modes are located, is privately owned, the only privately owned station along the shoreline rail corridor in Connecticut. This is a problem because while the current owners of Union Station may wish to see the building remain as a transportation center, they need to have the building generate revenue to pay for their capital investments and ongoing operating costs. The SCCOG has had discussions with ConnDOT, and intends to continue to do so, about the State of Connecticut either owning or creating some kind of public–private partnership that will guarantee that this beautiful building remain a transportation center for many years to come.

In addition to the existing facility in New London, a second intermodal center is planned in the City of Norwich, with construction scheduled to begin later this year. This project will create a new facility for SEAT buses just outside downtown, and will also provide parking for several hundred automobiles. With its location on Hollyhock Island, it has the potential to serve rail and provide access to the Thames River.

Extending Shoreline East From Old Saybrook to New London

Shoreline East currently operates limited service beyond Old Saybrook to New London. Earlier this year, at the region's urging, ConnDOT successfully convinced Amtrak to allow Shoreline East fares on some Amtrak trains if a multi-ride ticket is purchased. While this is a start, the region is hopeful that ConnDOT will very soon solve the impediments to bringing more commuter trains to and from New London. In an editorial in *The Day* newspaper this past Sunday, ConnDOT Commissioner Joseph Marie was commended for his effort toward this end, and the region is grateful. But the region will continue to urge the State of Connecticut to reach an agreement with the marine interests concerning the requisite bridge closings (currently limited to a maximum of 39 Amtrak, two Shoreline East trains, and two freight trains per day as required of Amtrak in 1996 when the rail line was electrified), and to negotiate with Amtrak, the owner of the railroad, concerning the upgrades required to accommodate additional trains on this stretch of rail line. The southeastern Connecticut region needs, deserves, and warrants train service commensurate with the Metro-North service that ConnDOT provides in the southwest corner of the State because the region's tourism base is vital to the health of the State's economy.

SCCOG's Proposed Tourist Transit System

In 2005, SCCOG completed a study named Intermodal Connections Study Southeast. This study developed a business plan for a high-quality, dependable, seamless, bus-based transportation system linking rail, ferry, and buses to the region's major tourist centers. A market analysis that interpreted the results of visitor surveys conducted during the course of the study projected that enough visitors would use the system to make the investment in the system pay for itself. The study concluded that more people would visit the region, their length of stay would increase, and people would visit more attractions if linkages were better. A ridership between 1.7 to 3.5 million people annually was projected. Because the major beneficiaries of the system, the casinos and other major tourist attractions, could not easily be convinced to pay for the system's $24–31 Million start-up capital cost and annual operating cost of $6.5–$8.6 Million, the study recommended the conduct of a 2-year pilot project to demonstrate to potential funders of the system that it would be successful. This pilot project would cost $12 Million over the 2 years. While SCCOG remains convinced that the proposed tourist transit system would be well used and contribute significantly to improving the region's transportation system, to date we have been unsuccessful in identifying the full $12 Million (in 2005 dollars) needed to conduct the pilot project.

How To Improve the Transportation System With Transit in Southeastern Connecticut

Based on my previous comments, it should be clear to see that our region is very desirous of increased transit service in southeastern Connecticut. Our Council of Governments and the region's bus transit provider SEAT are now having discussions about how to expand bus service beyond the nine towns currently served. It is hoped that our study of the region's intermodal transportation center in New London will result in improvements that will allow even more passengers to travel into, out of, and through, the region safely and efficiently. The full extension of Shore Line East into southeastern Connecticut will provide travelers to and from the region an alternative to an increasingly congested I-95. And if the tourist transit system pilot project could be funded, we are convinced that those private businesses that would benefit from its operation would step up to the plate and pay for it, similar to what L.L. Bean does up in Maine. But all of these transit improvements cost money; more money than the State of Connecticut can apply to just one of its 15 regions. So I guess the bottom line is, the best that we can do is to continue to plan, advocate, and provide support for the region's needs, all the while being patient, until such time as funding does become available to create a better and more transit-oriented transportation system in southeastern Connecticut.

Thank you again for the opportunity to provide this testimony.

PREPARED STATEMENT OF KAREN BURNASKA

COORDINATOR,

TRANSIT FOR CONNECTICUT

APRIL 16, 2009

My name is Karen Burnaska and I am Coordinator for the Transit for Connecticut Coalition administered by Connecticut Fund for the Environment. The Transit for Connecticut Coalition is a statewide coalition of business, social service, environmental, planning, transportation, and civic organizations dedicated to increasing awareness of the benefits of bus transit and advocating for increased funding for bus transit. On behalf of the Coalition, I thank you for the opportunity to testify today.

Connecticut's transportation system is like a three-legged stool: the three legs being roads, rail, and bus. All three are needed for a balanced system and all three are interconnected.

With the support of the One Region Funders' Group and its Connecticut partners, the Fairfield County Community Foundation and the Emily Hall Tremaine Foundation, Transit for Connecticut completed a bus needs analysis study in March of 2007. The study detailed the benefits of bus transit and proposed an investment plan that would increase bus ridership by over 80 percent.

The study stated various ways to improve bus transit in Connecticut:

- increase hours of service and frequency of service;
- provide more weekend service;
- expand paratransit service;
- increase express bus service;
- implement Bus Rapid Transit along major corridors;
- increase interregional bus services; and
- increase commuter connections to rail stations in order to complement and enhance the State's investment in rail service.

The study detailed the many and varied benefits of increased bus transit.

Economic Benefits

- transit provides greater access to jobs and a larger labor pool for employers;
- better bus connections enhance the State's investments in rail and multi-modal systems;
- there are significant financial savings for households who choose transit over a private automobile;
- studies show that every $1 invested in transit yields $3 in economic benefits.

Environmental Benefits

- increased bus transit reduces highway congestion, decreases fuel consumption and fights global warming pollution;
- reduces toxic diesel soot through clean vehicle technology;
- supports "responsible growth" around stronger transit centers and fights sprawl.

Helps People of All Ages

- increases mobility and choice for existing and new bus customers, nondrivers, the elderly, and disabled;
- increases opportunities for better jobs as well as access to more medical, education, recreation, and other services;
- specialized services can reduce healthcare costs as seniors are able to "age in place" and remain in their homes.

During this difficult financial time, public transit is needed more than ever. Using public transit provides direct savings to residents and the State.

- Individuals can save money by using public transportation instead of a private vehicle. According to the American Public Transportation Association (APTA) American households can save up to $8,754 annually by switching to public transportation.
- Employers who offer free parking could save more than $750 per parking space that is no longer required.
- According to Governor Rell's Budget summary for FY2003–FY2005, for each elderly individual that can age at home instead of a nursing home because of the mobility and access to health care furnished by public transit, the State of Connecticut saves $3,500–$4,000 per month.
- In addition, congestion cost commuters in Connecticut's urban areas between $343 and $592 per traveler in 2005. This number represents additional fuel costs and the cost of extra travel time.
- Lower levels of traffic may allow the State to save money through less expenditure related to road repair and maintenance, as well as enforcement of traffic laws.
- Society as a whole benefits from lower levels of pollution and greenhouse gas emissions. (A medium sized car with an average mileage of 21 mpg, driven

10,000 miles per year, produces approximately 5½ tons of carbon dioxide a year.)

In order to achieve the benefits of increased bus transit, an investment of capital and operating funds is needed. To achieve an 80 percent increase in bus ridership, Transit for Connecticut recommends an increase of $215 million in capital expenditures and an increase of $63 million in operating funds. While capital funds are needed to purchase rolling stock, improve facilities and shelters, upgrade communication systems and fareboxes, operating funds are critical to putting vehicles on the road and providing necessary service. A dedicated, reliable funding source is needed for all transportation projects if Connecticut is to achieve a 21st Century transportation system and move our State and its residents forward.

Thank you for your time and consideration.

PREPARED STATEMENT OF PHILIP MADONNA, JR.

CHAIRMAN,

ATU CONNECTICUT STATE LEGISLATIVE CONFERENCE BOARD

APRIL 16, 2009

Mr. Chairman and Members of the Committee, thank you for the opportunity to testify today on behalf of the Amalgamated Transit Union (ATU). My name is Phil Madonna. I currently serve as Chairman of the Amalgamated Transit Union's (ATU) State Legislative Conference Board here in Connecticut.

ATU is the largest labor organization representing public transportation, paratransit, over-the-road, and school bus workers in the United States and Canada, with more than 185,000 members in over 270 locals throughout 46 States and 9 provinces. Here in Connecticut, we represent more than 2,000 active and retired members in the transit, paratransit, intercity, and school bus industries. In addition to New Haven, which is where I am based, we represent the workers in Hartford, Stamford, New London, Bridgeport, Mystic, South Windsor, Derby, Danbury, Milford, and Rocky Hill. My Local, ATU Local 281, was chartered in 1902, and most of our local divisions throughout the State were established well before the creation of Connecticut Transit (CTTRANSIT).

For more than 100 years, ATU has been proud to serve the mobility needs of Americans, playing an important role in most legislative efforts affecting the public transportation industry during the past century, from requiring closed vestibules for streetcars in the 1890s, to the creation of a Federal role for public transportation in 1964, to passing the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Transportation Equity Act for the 21st Century (TEA 21), which recognized that local communities should be primarily responsible for the transportation choices that ultimately affect them. Our century-long commitment to transit safety and security issues has led to many of the innovative improvements within the industry, including better bus designs and braking systems, exact fare, and Federal penalties for assaulting public transportation workers. And, we have championed the need for increased funding and expanded service at the Federal, State, and local levels.

We are pleased to offer our views on the upcoming surface transportation reauthorization bill, which are summarized in our comprehensive proposal, entitled "We Can Get There From Here." Our 10-point plan calls for increasing transit funding, developing programs to increase ridership, creating transit workforce development programs, improving paratransit services, as well as other critical steps that the Federal government can take to improve the delivery of transit here in Connecticut and nationwide.

However, given the current funding crisis facing public transportation systems used by Connecticut residents as well as others across the Nation, I will today focus my attention on just two issues: the need for Federal transit operating assistance and ways that we can encourage States and local governments to invest more in transit.

Transit in Crisis

Record high gas prices in 2008 caused millions of people to try public transportation, and despite the recent drop in the price of oil, many transit systems continue to report capacity issues.

Americans took 10.7 billion trips on public transportation in 2008, the highest level of ridership in 52 years and a modern ridership record. This represents a 4 percent increase over the number of trips taken in 2007 on public transportation. Yet, ironically, at a time when Americans are leaving their cars at home like never before, public transportation systems are being forced to implement painful service cuts and fare increases and lay off workers because of shortages in State and local revenues.

Fare Increases, Service Cuts

All across the Nation, transit systems are reluctantly carrying out some of the steepest fare increases and deepest service cuts in recent history. Unfortunately, we do not have to look very far for examples of drastic cuts that are hurting middle class families. The New York Metropolitan Transportation Authority (MTA) has announced that it will consolidate late-night Metro-North train service to Stamford and other Fairfield County towns and end New Canaan ticket window service.

The proposal would also eliminate two weekday afternoon trains between New Haven and Grand Central Terminal that stop at Stamford. The agency is also set to raise subway and bus fares to ease its budget woes, inflicting pain on thousands of Connecticut residents who commute to New York. Meanwhile, Connecticut's Metro-North customers regularly complain about too few seats aboard rush-hour trains, a lack of heating and air conditioning and a shortage of station parking on the New Haven Line.

Furthermore, even though businesses are sprouting up along the Route 25 corridor from Danbury to Bridgeport, there continues to be a major gap in transit service. The proposed Danbury–Bridgeport bus line, which would have cost $1.4 million to create, was one of several candidates for $5 million the State planned to spend on bus service enhancement in 2009. But faced with a State budget deficit that grew to about $350 million, Governor Rell last fall recommended that the State postpone the much-needed plan to enhance the State's commuter bus lines. Housatonic Area Regional Transit, based in Danbury, proposed the Danbury-Bridgeport service, which it would have run in tandem with the Greater Bridgeport Transit Authority. But without the operating revenue to run the service, two of the largest cities in western Connecticut will continue to have no public transportation between them.

And no one is immune from the cuts. Here in New Haven, transit district officials announced plans last fall to scale back the hours and eliminate Sunday service for the Regional Rides Program because of a budget shortfall. The service, which offers door-to-door transportation for elderly and disabled residents in 13 area towns, is facing a deficit. These cuts were necessary despite the program's overwhelming success—the number of riders doubled from 10,000 in 2006, the program's first year, to 20,000 by the end of 2008.

Working Families Hurt the Most

Nationwide, fare increases are having a devastating affect on working families. Between the increased price of food, health care, energy costs, and other everyday necessities, middle class families are getting squeezed like never before. Americans, especially seniors living on fixed incomes, simply cannot afford transit fares in the neighborhood of private taxis. In October, 2008, for example, Bridgeport was forced to raise base fares from $1.50 to $1.75 and day passes from $3 to $4.

And as if the fare increases are not enough, the service cuts may actually be worse. Generally, when routes get cut, transit systems tend to look towards those with low ridership—early morning, late night, and weekend service. People who work nontraditional hours, typically minorities who have no other means of transportation, are disproportionately affected. The single mom who now gets her kids up at 4:30 in the morning to catch two buses in time to get her children to daycare and then herself to work cannot be expected to wait an additional hour for that transfer bus to arrive, standing in the freezing cold with two kids in tow. But that is exactly what is happening out there. Our drivers nationwide have seen it first-hand.

Operating Assistance Is Needed

Throughout the United States, our buses are overflowing with passengers. As mentioned above, the people who turned to transit to beat the high cost of gas in 2008 are sticking with us. Ridership is at a 50-year high.

That is the good news. The bad news is that the transit industry cannot handle the increased demand. Our members report having to leave people behind at bus stops because vehicles are at capacity. In Chicago, they were recently tearing out seats on subway trains to make room for more people. As one CTTransit official said last year during the height of our most recent fuel crisis, "If suddenly ridership were to increase by 25 to 30 percent overall, we'd be really, really struggling." [1]

[1] Transit at Capacity, *Connecticut Post Online* (Bridgeport, Connecticut), June 27, 2008.

Indeed, some Connecticut routes will soon be on a standing-room-only basis, if they are not there already.

But instead of adding new service to meet increased demand, transit systems are being forced to do the exact opposite—they are cutting routes and punishing people for leaving their cars at home by increasing fares.

Mr. Chairman, I hope the Members of the Committee can see how ridiculous the current situation is. Ridership numbers are going through the roof. We have a tidal wave of new passengers, more farebox revenue, basically every general manager's wildest dream come true. We could not have asked for a better situation. Yet in many places—not all but many—we find ourselves unable to cope with the change in Americans' travel habits.

The question is: why? The answer is simple. It is about money. State and local tax revenues are way down. Wildly fluctuating fuel and energy prices and insurance costs are busting transit agency budgets.

Unfortunately, this problem will not be solved by simply appropriating more capital dollars. Even if the Federal government provided CTTRANSIT and other systems with enough money to double the size of their existing fleets, the agencies would probably have to keep a good portion of those buses in the garage.

Transit systems simply do not have the operating money to run their current fleets. Current law generally prohibits most major transit systems from using their Federal Transit Administration (FTA) funds for operating assistance. Therefore, as a result, we are cutting service at a time when people are turning to transit in record numbers! This is insane!

Transit systems need flexibility in the use of their Federal funds so they can stay afloat and avoid balancing their budgets on the backs of working people—transit riders and employees—who do not have any more to give. People are paying more and getting much less. This has to stop! Given the challenges faced by transit systems from coast to coast, ATU supports giving local transit systems the option to use their FTA funds for operating purposes. At a minimum, we recommend that the Committee consider allowing fuel and energy costs to be classified as capital expenses.

Encouraging State Investment

Of course, there is more than one way to generate more operating assistance for transit agencies. One way (as discussed above) is to change the Federal rules. Another is by encouraging States and local communities—which bear the bulk of the responsibility for funding transit operations—to invest more.

Too many States are shortchanging transit at a time when their residents are looking for more travel options. Just seven States are responsible for more than 80 percent of all State transit funding. The other States fund transit at an average of just over $42 million annually. In fact, nearly one-fifth of States fund transit at less than $1 million annually, and four States do not provide funding at all. [2]

In recent years, the lack of State funding has caused transit crises in a number of areas. For example, State Legislatures and Governors in California, Illinois, Massachusetts, Ohio, Pennsylvania, and Rhode Island, among others, have had to consider so-called "rescue" packages just to avoid massive service cuts, layoffs, and fare increases.

In addition, even as the Federal surface transportation program has sought to become more flexible—allowing States to use Federal highway funds for transit projects, and transit funds for highway projects—the States have not followed suit with respect to the use of their own funds. Thirty-four States still restrict all highway trust fund resources solely for highway purposes. While 23 States have such restrictions in their State constitutions, [3] eleven are limited in their use of transportation funds due to long-standing statutory provisions. [4]

The Federal government needs to play an active role in leveraging State and local investment—encouraging States and local governments to invest in public transportation. Generating more non-Federal revenue is the key to putting more transit service on the streets.

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[2] California, Illinois, Maryland, Massachusetts, Pennsylvania, New Jersey, and New York provided $7.7 billion of the $9.5 billion that States appropriated for transit in 2005. Survey of State Funding for Public Transportation—2005, prepared by the U.S. Department of Transportation Bureau of Transportation Statistics.

[3] See the State constitutions of Alabama, Arizona, Colorado, Georgia, Idaho, Iowa, Kansas, Kentucky, Maine, Minnesota, Missouri, Nevada, New Hampshire, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Utah, Washington, West Virginia, and Wyoming.

[4] See highway-only statutes in Alaska, Arkansas, Florida, Hawaii, Indiana, Mississippi, Montana, Nebraska, New Mexico, South Carolina, and Tennessee.

ATU recommends the establishment of the "Flexibility Incentive Grant" (FIG) program within the FTA.[5] This program would provide additional Federal surface transportation dollars to States that increase their own level of funding for bus, rail, and ferry services.

Some States (like Connecticut, see below) are already investing in public transit, and they would be rewarded for doing so under this program. Other States which have not yet seen the benefits of expanded bus and rail service would be given an incentive to invest in more than just new highway construction. Under this bill, everyone wins.

The FIG Program would allocate Federal transportation funds to States that (1) increase spending on public transportation; (2) create a transportation trust fund that distributes funds for public transit; or (3) unlock their existing highway trust fund by distributing transportation dollars for both highways and transit.

The money allocated under the FIG program would be bonus money—so it would not impact formula or capital funds received by urbanized areas or States from other Federal transit programs. And, as the name of the program suggests, the Federal dollars awarded through this new program would be flexible, meaning that they could be used by States for any highway or transit project. In summary, if a State increases its level of spending on public transportation, then it receives extra Federal surface transportation funds that it may use as it sees fit. Significantly, under the proposed program, other non-Federal resources (local government funds) may also be counted towards the States' total.

The idea is derived from a recent Federal highway program which granted Federal transportation dollars to States as a reward for increasing their level of seatbelt usage, based on a national average. Similarly, the FIG Program would award flexible transportation dollars to States on the condition that they raise their level of spending on public transportation.

This is a new concept for the Federal transit program. Rather than simply granting funds to States and cities on the condition of a nominal local match, we would be providing them with a real incentive to put some of their own resources towards expanding public transit services. State and local transportation funding needs to become more flexible. We can make that happen with a Federal incentive—a FIG grant.

Connecticut Would Fare Well Under the FIG Program

In 2006, the State legislature passed a $2.3 billion transportation package which would fund mass transit improvements across the State without requiring tolls or increasing the gas tax. The bill authorized the State to issue up to $1 billion in special tax obligation bonds for the projects. The prior year, lawmakers approved the Governor's 10-year, $1.3 billion initiative, which included money for new rail cars for Metro-North, and 25 new CTTRANSIT buses.

If the FIG program had been in place during that period, Connecticut would have been rewarded with bonus Federal transportation dollars for funding public transportation at the State level. ATU supports the establishment of the Flexibility Incentive Grant (FIG) program within FTA to encourage States to invest in public transportation.

Conclusion

Before Congress makes decisions on new policies and revenue streams for the SAFETEA–LU reauthorization bill, it must first set its priorities. Most importantly, what is the overall goal of our surface transportation program?

Do we want to remain stuck in endless traffic jams, polluting our air, and wasting billions of dollars on fuel that we purchase from Middle Eastern nations that raise the price of oil at their pleasure? Or, are we ready to provide Americans with new public transportation options that can help us to save our planet, reduce our dependence on foreign oil, and spend more time with our families?

Based on recent trends, ATU and its allies believe that Americans are ready to modify their travel habits and embrace transit like never before. Congress can help facilitate these overdue changes through the creation of bold, well funded, and innovative programs.

Without question, hard choices are going to have to be made along the way, and the cost will be enormous. However, the potential to improve our quality of life and preserve this world for the next generation should guide us through the substantial challenges that lie ahead.

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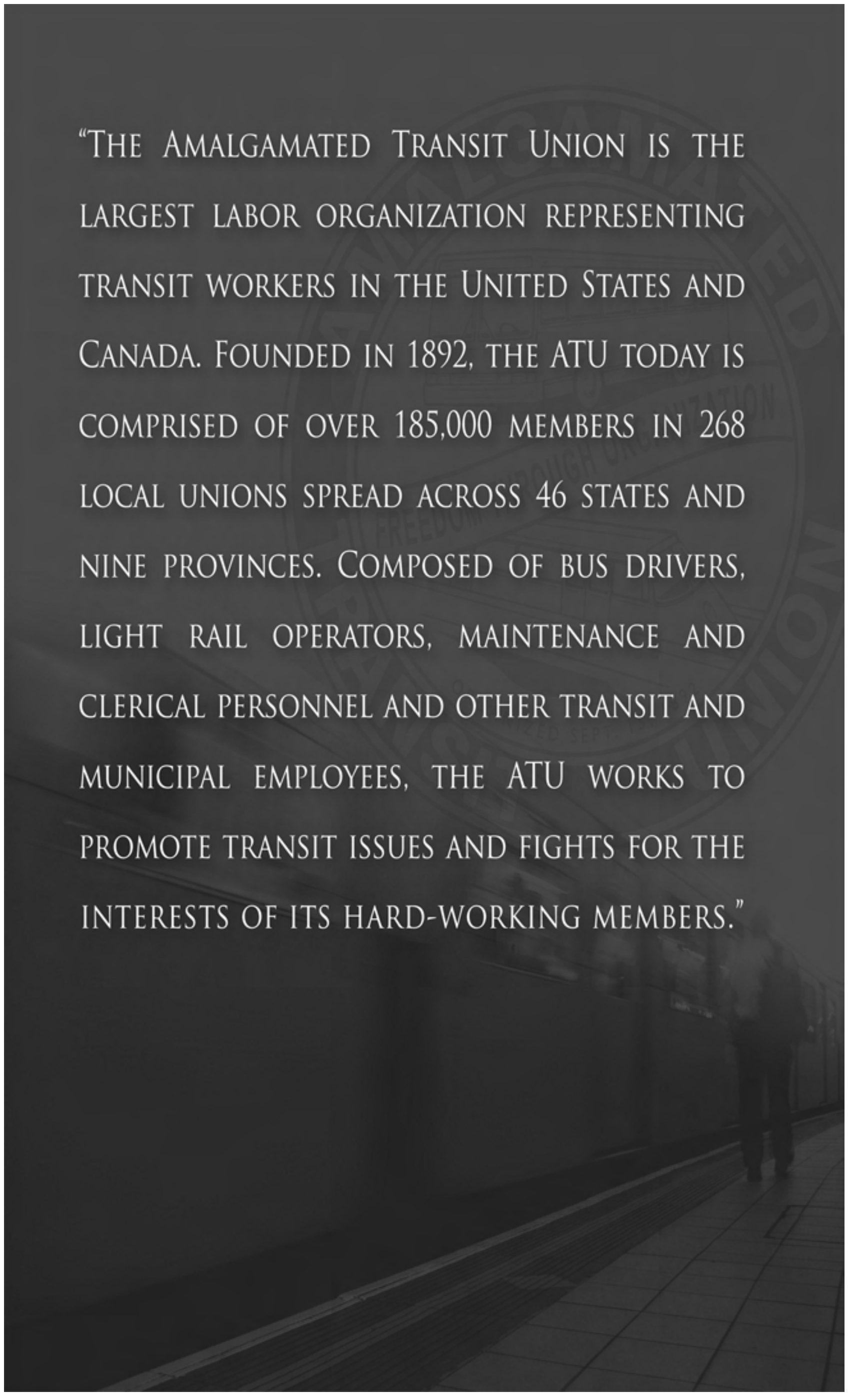
[5] As provided under H.R. 1827, 111th Congress.

WE CAN GET THERE FROM HERE

AMALGAMATED TRANSIT UNION (ATU)
SAFETEA-LU REAUTHORIZATION PROPOSAL


"THE AMALGAMATED TRANSIT UNION IS THE LARGEST LABOR ORGANIZATION REPRESENTING TRANSIT WORKERS IN THE UNITED STATES AND CANADA. FOUNDED IN 1892, THE ATU TODAY IS COMPRISED OF OVER 185,000 MEMBERS IN 268 LOCAL UNIONS SPREAD ACROSS 46 STATES AND NINE PROVINCES. COMPOSED OF BUS DRIVERS, LIGHT RAIL OPERATORS, MAINTENANCE AND CLERICAL PERSONNEL AND OTHER TRANSIT AND MUNICIPAL EMPLOYEES, THE ATU WORKS TO PROMOTE TRANSIT ISSUES AND FIGHTS FOR THE INTERESTS OF ITS HARD-WORKING MEMBERS."

AMALGAMATED TRANSIT UNION (ATU)

SAFETEA-LU REAUTHORIZATION PROPOSAL

WE CAN GET THERE FROM HERE

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January 2009

If you have any questions about this proposal, please contact Jeff Rosenberg in the ATU Legislative Department at (202) 537-1645 or at jeffr@atu.org.

Amalgamated Transit Union
5025 Wisconsin Avenue, NW
Washington, D.C. 20016

Executive Summary

It often seems as though the world around us has changed overnight, as our nation's current energy crisis is affecting the quality of life of every American. The price of oil fluctuates wildly, and with increased demand for fuel worldwide, there is no reason to believe that we will once again be able to fill our tanks with inexpensive gasoline and cruise around in our mammoth sport utility vehicles in a carefree manner.

But this crisis goes well beyond the pump. When transportation expenses increase, everything costs more, including food and basic necessities that we have long taken for granted. Working families, which already spend at least 20% of their annual income on transportation costs, are getting squeezed from all directions. Moreover, history shows us that even if fuel costs decrease, other consumer products do not necessarily follow.

People are beginning to realize that this crisis cannot simply be averted by driving less and switching to fuel efficient compact cars or expensive hybrid vehicles. In response to the surge in fuel prices, public transportation systems – large and small, from coast to coast – have recently seen a tidal wave of new customers. Ridership numbers on transit – more than 10 billion annual trips – have reached their highest point in more than 50 years.[1]

In fact, transit systems all across the U.S. are making contingency plans to deal with the current ridership surge and the potential overload of new passengers that could result if gas prices once again rise to 2008 levels, or beyond.

But is the public transportation industry prepared for this cultural change?

Sadly, the answer is no, and there are three basic reasons why transit agencies nationwide will not be able to meet consumer demand in the near future.

First, current funding levels are inadequate. Transit capital needs alone are more than $60 billion nationwide, and the federal transit program, although at record funding levels, does not even begin to address our dire infrastructure needs.

Second, transit systems do not currently have the flexibility to use their Federal Transit Administration (FTA) funds in a manner that best suits their local needs. The most pressing matter at every transit system throughout the United States is finding a stream of funding that may be used for operating assistance. Unfortunately, current FTA rules generally prohibit transit agencies from using their federal funds for operating purposes. As a result, the same high gas prices that currently push people to ride buses are also busting transit system budgets. All across the U.S., fares are being increased and service is being cut back, just when transit services are needed most.

Finally, the public transportation industry is facing a workforce crisis. For existing employees, new technology is rapidly changing the way transit agencies function, affecting every executive director, mid-level manager, bus operator and mechanic. Yet, relatively few programs exist to provide training to workers so that they can perform their jobs adequately, move up the career ladder, and help the nation's transit agencies

1. American Public Transportation Association (APTA) press release, June 2, 2008.

operate at maximum efficiency. And while more than half of the transit technicians nationwide will be eligible to retire in the next ten years, there is no pipeline of replacements on the horizon because the industry has a relatively poor public image that hampers its ability to attract, recruit, and retain quality employees.

The Amalgamated Transit Union (ATU) is pleased to present to Congress its comprehensive proposal for the reauthorization of The *Safe, Accountable, Flexible, and Efficient Transportation Equity Act - A Legacy for Users* (SAFETEA-LU). It is a ten-point plan designed to ensure that public transportation agencies are equipped to provide Americans with the travel choices they need and to help us reduce our dependence on foreign oil.

ATU supports the core framework of the existing federal transit program, a federal-state-local partnership which has served the industry well since 1964. However, we urge the Congress to build off some of the more innovative past reauthorization efforts, most notably the *Intermodal Surface Transportation Efficiency Act* (ISTEA) of 1991, the promise of which has yet to be fully realized. ISTEA recognized that local communities are best situated to make transportation decisions on their own. By calling for more local control of resources, our plan would finally provide urban and rural areas with the resources and tools to carry out that vision.

Recognizing that the federal government cannot and should not be the only significant source of revenue for transit, ATU in this proposal unveils an exciting legislative initiative that is designed to encourage states and local governments to substantially increase their level of transit funding. This program could unlock billions of dollars in state and local resources for public transportation, community transportation, and Americans with Disabilities (ADA) services. When combined with federal dollars, the ATU-crafted *Flexibility Incentive Grant* Program could cause transit investment in the U.S. to finally approach the levels necessary to improve the conditions and performance of our public transportation systems.

We also recommend some nontraditional approaches to address some of the industry's greatest challenges in the areas of ridership, safety, and the provision of paratransit service to our most vulnerable passengers – elderly persons and individuals with disabilities. These and other ideas are discussed at length in this proposal.

Founded in 1892, ATU has played a leading role in the crafting of every surface transportation reauthorization bill since the founding of the Urban Mass Transportation Administration, which in 1991 became the FTA. Each day, millions of transit riders nationwide put their trust in our members' ability to safely get people to their destinations. This proposal is based on the recommendations of the men and women who have the most unique perspective to understand the needs of the transit industry – the thousands of people who proudly serve as the "eyes and ears" of our nation's public transportation systems.

Summary of ATU Recommendations

ATU SUPPORTS:

INCREASING TRANSIT FUNDING

1) Increasing federal transit funding by 20% annually, so that by FY 2015, the program would be funded at nearly $31 billion annually;

2) Maintaining the budgetary firewalls that guarantee transit funding;

3) Increasing rural transit funding at levels determined by CTAA;

4) Implementing a $1 monthly surcharge on public transportation monthly tickets;

5) Increasing the federal gas tax by ten cents over the course of the next reauthorization period, and indexing the tax to inflation; and

6) Requiring the FTA/FHWA regulations on Statewide and Metropolitan Transportation Planning to mandate fair and equitable voting representation of the region's public transportation operating agency or agencies, private sector transit operators, transit workforce representatives, minority groups, disabled persons, transit riders, smart growth groups, businesses, and others with a direct stake in the provision of public transportation services on the policy board and technical committees of Metropolitan Planning Organizations.

ALLOWING LOCAL CONTROL OF FTA FUNDS

1) Giving local transit systems the option to use their FTA funds for operating purposes;

2) The *Transit System Flexibility Protection Act*, which would allow U.S. DOT to make grants to a transit system to finance the operating cost of equipment and facilities for use in transit in an urbanized area with a population of more than 200,000 if such transit system operates less than 100 buses on fixed route service during peak service hours; and

3) The *Saving Energy Through Public Transportation Act*, which would allow transit systems to use their FTA funds for fuel costs.

ENCOURAGING STATE INVESTMENT

1) Establishment of the *Flexibility Incentive Grant* (FIG) program within FTA to encourage states to invest in public transportation.

INCREASING RIDERSHIP

1) Raising the monthly cap on employer-provided tax-free transit benefits to the level allowed for parking benefits (currently $220 per month), to encourage more people to ride public transportation;

2) Making the tax-free commuter benefits program available to all federal, state and local government employees;

3) Requiring FTA to conduct a public relations program on the commuter benefits program, and compelling transit agencies to promote the program in partnerships with local businesses;

4) Developing targeted fare-free and reduced fare pilot programs; and

5) Encouraging greater pedestrian and bicycle access to public transportation.

CREATING TRANSIT WORKFORCE DEVELOPMENT PROGRAMS

1) The *Transportation Job Corps Act of 2008*, which would create a career ladder grant program within the FTA to help existing workers retain jobs while also recruiting and preparing young adults across the nation for jobs in the transit sector;

2) Increasing funding for the International Transportation Learning Center to the same level as the National Transit Institute;

3) Making training a permissible use of Section 5307 urbanized area formula funds and Section 5311 rural formula funds at levels determined by public transit systems in partnership with their labor organizations; and

4) Authorizing the president of the labor organization representing the plurality of public transportation workers in the United States (or his or her designee) to serve on the TOPS Committee Ex Officio, on a permanent basis as a voting member, so that transit workforce development and other research projects may continue to be carried out as a true partnership between labor and management.

MAINTAINING TRANSIT LABOR PROTECTIONS

1) Continuation of the critical transit employee labor protections provided by Section 13(c) of the Federal Transit Act; and

2) Application of Section 13(c) protections to *any* new federal transit programs or innovative financing mechanisms created through SAFETEA-LU's reauthorization.

PROVIDING FOR OUR NEEDIEST CITIZENS

1) Creating the *Coordinated Mobility Initiative* (CMI) program through the consolidation of the Elderly/Disabled, New Freedom, and Job Access and Reverse Commute Programs in an effort to improve transportation options for America's most needy citizens;

2) Requiring public transit systems to ensure that all relevant factors are taken into consideration before they contract-out paratransit services, requiring a cost analysis of the work to be done, which shall be used to assess whether it is more effective to use employees of a private business entity or to use existing employees; and

3) Requiring potential paratransit bidders to have a demonstrated ability of providing high quality paratransit services, which equal or exceed the quality of services which could be provided by public transit agencies.

PUTTING MORE SERVICE ON THE STREETS – IMMEDIATELY

1) Allowing fuel to be classified as a capital expense;

2) Grant programs that encourage transit agencies to reduce fares and expand service;

3) Removing hurdles which discourage states from flexing highway funds to transit; and

4) Implementing congestion pricing.

REGISTERING TRANSIT RIDERS TO VOTE

1) Grants to non-profit organizations for the purpose of registering and mobilizing non-driving transit riders to vote and to educate all transit riders about transit election issues on a non-partisan basis.

ENHANCING THE SAFETY OF TRANSIT WORKERS AND PASSENGERS

1) Requiring all new buses purchased by transit systems to include notices that shall be prominently displayed in each vehicle used for the transportation of the public for hire which must state substantially the following: Any person who assaults, interferes with, disables, or incapacitates any public transit driver while the person is operating a transit vehicle is subject to imprisonment for up to 20 years; and

2) Encouraging states to enact laws which increase penalties for the assault of a transit worker.

INCREASING TRANSIT FUNDING

Public transportation is an essential public service, and millions of Americans choose to ride transit each day to commute to work, get to school, go to the doctor, attend religious services, and visit friends and family. Transit also keeps America's economy thriving, and provides a lifeline to millions of people who do not own or drive an automobile.

Transit is also essential in our nation's quest to reduce our dependence on foreign oil. Public transportation usage reduces U.S. gasoline consumption by 1.4 billion gallons each year - or the equivalent of 108 million cars filling up, almost 300,000 each day. These savings result from the efficiency of carrying multiple passengers in each vehicle; the reduction in traffic congestion from fewer automobiles on the roads; and the varied sources of energy for public transportation.[2] Increased use of public transportation is the single most effective way to reduce America's energy consumption.

The average price of regular gasoline in the United States has shifted between two to five dollars per gallon, substantially higher than it was just three years ago. The days of cheap gas are over, and people are looking for ways to reduce their transportation costs. There is no better way to do that than by riding public transportation, and Americans are responding in record numbers as bus, light rail, subway, and commuter rail ridership continues to rise. Americans took more than 2.8 billion trips on public transportation in the second quarter of 2008. This is almost 140 million more trips than the same time period in the previous year, an increase of 5.2%. In 2007, 10.3 billion trips were taken on public transportation – the highest number on U.S. transit in 50 years.[3] Without question, people are making significant lifestyle changes.

And as we know all too well, our commute to work grows more dismal everyday. Congestion on roads costs $78 billion annually in the form of 4.2 billion lost hours and 2.9 billion gallons of wasted gas.[4]

"To conserve and enhance values in existing urban areas is essential. But at least as important are steps to promote economic efficiency and livability in areas of future development. Our national welfare therefore requires the provision of good urban transportation, with the properly balanced use of private vehicles and modern mass transport to help shape as well as serve urban growth."

— President John F. Kennedy, in a message to Congress, 1962.

[2] *Public Transportation and Petroleum Savings in the U.S.: Reducing Dependence on Oil*, prepared for APTA by ICF International, 2007.

[3] *APTA Ridership Report: Second Quarter 2008*, September 9, 2008.

[4] *Texas Transportation Institute 2007 Annual Urban Mobility Report.*

Funding Levels

The U.S. currently has significant surface transportation needs. According to the *National Surface Transportation Policy and Revenue Study Commission*, "We need to invest at least $225 billion annually from all sources for the next 50 years to upgrade our existing system to a state of good repair and create a more advanced surface transportation system to sustain and ensure strong economic growth for our families. We are spending less than 40 percent of this amount today."[5]

According to APTA, capital needs alone for public transportation are approximately $60 billion annually. ATU joins APTA in calling upon Congress to **guarantee** (through continued use of budgetary firewalls) annual federal transit funding at 50% of that amount – $30 billion – by the end of the next reauthorization period. Starting from Fiscal Year (FY) 2009 authorized funding levels, in order to provide resources for just half of the transit industry's capital needs, **20% annual growth is needed.**

ATU Concurs with APTA's Proposal: 20% Annual Increase

FISCAL YEAR	FUNDING LEVEL
2010	$12.4 Billion
2011	$14.9 Billion
2012	$17.9 Billion
2013	$21.4 Billion
2014	$25.7 Billion
2015	$30.9 Billion
TOTAL	$123.2 Billion

Funding for rural transportation also needs to grow substantially, at levels determined by the Community Transportation Association of America (CTAA).

A Smart Investment

Every $1 billion invested in the nation's transportation infrastructure supports approximately 47,500 jobs, while the same amount invested in public transit capital projects generates 30,000 jobs. The return on investment could be as high as 9 to 1.[6]

Transit access is essential for the nation's economic health and prosperity. It helps maintain the vitality of our major cities' central business districts and connects workers to jobs in suburban and rural areas.[7]

And making transit available to a greater percentage of the population will save people money. Households that are likely to use public transportation on a given day save over **$6,200** every year, compared to a household with no access to public transportation service.[8]

How Do We Get There?

Monthly Ticket Fee

The key to any successful and innovative funding mechanism is quite simple: small, almost invisible fees, that when aggregated have the potential to raise significant revenue. ATU believes that it has found such a combination.

For the first time, we recommend that transit riders should pay – ever so slightly – into the Highway Trust Fund (HTF). We propose a $1 surcharge on public transit system monthly passes – on all modes – that would be deposited directly into the HTF's Mass Transit Account. For example, a person paying $140 for a monthly ticket on a commuter rail line would see their out of pocket cost rise to $141 per month. In total, the average transit customer would pay just $12 per year.

5. *Report of the National Surface Transportation Policy and Revenue Study Commission, Transportation for Tomorrow,* December 2007, page 1.
6. *A Quantitative Analysis of Public Transportation's Economic Impact.* Cambridge Systematics, Inc. and Economic Development Research Group, October 1999.
7. *The Economic Importance of Public Transit.* The National Business Coalition for Rapid Transit, November 2003.
8. These households have two workers, one car, and are within three-quarters of a mile of public transportation. *Public Transportation and Petroleum Savings in the U.S.: Reducing Dependence on Oil.*

This fee would be separate from transit agency fares. Those transit systems that currently do not have some sort of monthly pass program – which provide unlimited rides for one price – would be required to create such a program and implement the $1 monthly surcharge.

We do not propose to require fare increases. There would be no added fee for any person who simply boards a bus or train and pays with cash, tokens, or electronically. This will serve to limit the impact of this plan on low income individuals.

With no data on how many monthly passes are currently sold throughout the U.S., or the amount that might be sold if the plan were to be implemented, we do not know how much a $1 monthly surcharge would raise. However, the minimal impact and almost invisible nature of such a charge makes this a plan worth considering to supplement the HTF's primary source of revenue, which at least for now should remain the federal motor fuel tax.

By no means are we suggesting that all or even a significant part of the federal transit needs could be met with such a fee. However, we do know that with transit ridership increasing each day, and with people buying monthly passes in an effort to save money, a substantial sum could be raised.

Raise the Gas Tax

Furthermore, in the short term, ATU recommends that Congress increase the federal gas tax – perhaps by as much as ten cents per gallon – and then index it to inflation. Currently, the tax is 18.4 cents, of which 2.5 cents is allocated to the HTF's Mass Transit Account. The user fee has not been raised since 1993, and the purchasing power of the gas tax has been significantly diminished in recent years.

We fully realize the political issues raised by this recommendation. However, lawmakers should realize that Americans have consistently shown that they are willing to pay more taxes if they understand that expanded transportation choices will come about as a result. In fact, 70% of the transportation finance issues sent to voters since 2000 have been approved.[9]

Moreover, while it may seem counterintuitive to raise the user fee at a time when gas prices remain high, the recent pendulum-like nature of fuel costs – $3.50 one month, $2.50 the next – makes it more than likely that people will not even realize that the tax has been increased by a few cents, especially if it is done gradually.

Twelve dollars per year. One dollar per month. About 2½ cents per ride. For less than the cost of a stick of chewing gum, we can raise a substantial amount of revenue for transit systems to put more service on the street. Small contribution, big payoff. It's a win-win for transit riders.

[9] *Center for Transportation Excellence.*

A few cents can raise billions of dollars per year for transportation infrastructure, while costing the average American very little. Even in today's changing world, it remains one of the most practical, invisible, user- based fees in America.

Long Term Solutions

However, raising the gas tax is not a long-term solution to bridging the gap between dwindling HTF revenues and transportation spending. As discussed above, since fuel prices have spiked, people have been increasing their dependence on transit, and driving less. Ironically, the reduction in vehicle miles traveled has resulted in less revenue for the HTF. In fact, Congress was forced to pass legislation[10] to replenish the nearly bankrupt HTF by transferring $8 billion from the general treasury. As more hybrid and other alternative fuel vehicles gain in popularity, the HTF will continue to see a sharp decline in revenues.

New ideas are needed. The next reauthorization bill should call for a study of possible replacements for the gas tax. One idea worth exploring is a national vehicle registration fee that sets a tax based on the weight of a vehicle and number of miles driven.[11] In addition, if Congress moves forward with "climate change" legislation, it should send a portion of the revenues generated from a proposed "cap-and-trade system" to public transportation. A transit provision included in *America's Climate Security Act*[12] would allocate a percentage of the carbon allowance auction proceeds for exclusive use in meeting the country's mass transit needs. Early estimates are that the bill could provide nearly $50 billion into public transit programs across the nation between 2012 and 2050.

Another promising initiative is the "*National Infrastructure Bank Act of 2007*,"[13] which would help finance critical transit projects and begin to address the major traffic congestion issues that are having a significant impact on the U.S. economy. The tragic bridge collapse in Minnesota was a wake up call for all of us. This legislation recognizes that we need to maintain and improve not only our existing roads and bridges but also projects of regional and national significance in connection with transit systems, housing properties, drinking water systems and wastewater systems. While major public transit endeavors are of course locally-planned, implemented, and operated, they require significant federal financing. Unfortunately, current revenue sources will not provide nearly enough capital to fund the many important transit projects that are in the pipeline. Hopefully, a national infrastructure bank would allow some of these innovative bus and rail projects to finally emerge from the planning stages.

Public Private Partnerships:
Proceed with Extreme Caution

Without question, the greatest challenge for Congress in developing the reauthorization bill will be finding viable revenue sources to meet growing highway and transit needs, and lawmakers should study all reasonable options. However, so-called public private partnerships (PPPs) should be considered with extreme caution, especially in the transit sector.

10. H.R. 6532, 110th Congress.

11. *Opportunities Arrive to Realign Transportation Program*, by Jeffrey F. Boothe, (Chair of APTA's New Starts Working Group). Metro Magazine, August 2008, page 41.

12. S. 2191, 110th Congress.

13. S. 1926, 110th Congress.

Key to the development of such PPPs are compliance with collective bargaining and labor agreements, as well as the principle of unbiased decision making.

PPPs in transit have taken four basic forms:

1) Private contracting of transit service;

2) Joint development;

3) Turnkey procurements such as design-build or design-build-operate-maintain; and

4) Innovative financing – grant anticipation notes, bonds, state infrastructure banks, other.

1) Private contracting of transit service (the primary type of PPP in transit)

U.S. transportation needs cannot be met by one mode alone, or by only one sector. Under this PPP model, a municipal entity may contract-out revenue service, vehicle maintenance, non-vehicle maintenance, administrative and support services, or systems development.

ATU is not opposed to the provision of transit services by private operators, so long as the methodology and criteria for service selection and final decisions are left to local decision makers, consistent with applicable laws, collective bargaining agreements, and other pertinent agreements.

The federal government should remain neutral on PPPs, and it should not intrude on local decision making. Since the beginning of the federal transit program, all reauthorization bills have provided that the federal government should not be involved in this decision, and this bill should be no different. Mandated or minimum provisions on competitive bidding without appropriate standards for decision making serves to reduce the standard of living for workers and diminish the transportation service provided to communities. It can also result in turnover, safety, and security issues.

Purported savings through PPPs in contracting are frequently based on questionable and at times false assumptions regarding competition, cost, and mechanisms used to calculate these and other matters. Careful scrutiny is needed. A Transportation Research Board report[14] dispelled the myth that private firms will respond to competitive market pressures and provide better service at lower cost. **It found that nearly 40% of transit properties that contract-out bus services reported that service quality and customer service are negatively impacted by privatizing services.** Safety, maintenance concerns, and high employee turnover all contributed to this negative impact on service quality when services are privatized, the report notes.

2) Joint Development

Under this type of PPP, the use of public transit property (air rights above a station or land adjacent to a station) is acquired with federal dollars for transit-related development.

These arrangements generate ground rent, lease or other revenues for transit providers. They are typically characterized by cost sharing arrangements with developers, who agree to perform certain functions such as station maintenance, security, or access control, in exchange for development opportunity.

This type of innovative arrangement has recently been implemented by the Washington Metropolitan Area Transit Authority in the form of an air rights

[14] *Contracting for Bus and Demand-Responsive Transit Services: A Survey of U.S. Practice and Experience*, Transportation Research Board, 2001.

agreement in Bethesda, MD, which produces $1.6 million in rents annually. Moline, IL, and Memphis, TN, have also entered into similar arrangements.

From a labor perspective, these joint development projects promote increased ridership, and more revenue for transit systems. We are therefore strongly supportive of joint development, as long as appropriate labor protections are in place.

3) Turnkey Development

These types of arrangements are rarely used in transit due to the pay-as-you go process – transit agencies are dependent on annual appropriations. However, some examples include Tren Urbano, the Hudson-Bergen Light Rail, and Las Vegas Monorail.

4) Innovative Financing

Grant Anticipation Notes, Bonds

The guaranteed funding levels provided under TEA 21 and SAFETEA-LU have provided economic security that financial markets demand. Since 1997, over $2.5 billion in grant anticipation notes have been issued for transit – a positive development.

SAFETEA-LU expanded the State Infrastructure Bank (SIB) program to all states, providing up to $15 billion in private-activity bond authority for transportation facilities projects. Transportation Labor supports new innovative finance mechanisms for transportation projects, such as tax credits and SIBS, on the condition that both the direct recipients of federal dollars through SIBs and tax credits and projects funded through subsequent generation SIBs and tax credit funding comply with basic federal labor standards, including 49 USC 5333(b) – formerly Section 13(c) of the Federal Transit Act – and Davis-Bacon, providing economic and job security.

The SIB program is indeed a federal program and should be treated as such under the law. But for the federal dollars that are responsible for the original and continued capitalization of the banks, the banks would not exist, as they are undeniably dependent on the initial federal infusion of capital. Since SIBs require federal assistance for their inception, they are and will always remain federal entities. This is sound public policy, because as long as federal labor standards are applicable, organizations that control billions of potential dollars in union pension funds may be willing to provide investment capital for transportation infrastructure projects.

Key to Success of PPPs: An Inclusive Planning Process

The key to the success of PPPs in transit is to involve all stakeholders early in the process of any proposal. While SAFETEA-LU provided for increased participation by private entities in the planning process, this level of engagement is not afforded to transit agencies or transit labor, a major reason that innovative finance is still rare in transit.

APTA's reauthorization proposal states that the new bill should "include language stipulating that the FTA/ Federal Highway Administration (FHWA) regulations on Statewide and Metropolitan Transportation Planning require fair and equitable voting representation of the region's public transportation operating agency or agencies on the policy board and technical committees of the Metropolitan Planning Organizations (MPOs) (or other regional transportation planning bodies), regardless of whether the body is newly-formed or existing, no matter the size of the urban region."

ATU concurs with this proposal, and would recommend going one step further. We support the diversification of MPO boards, requiring the appointment of not only transit agency representatives, but also private sector transit operators, transit workforce representatives, minority groups, disabled persons, transit riders, smart growth groups, businesses, and others with a direct stake in the provision of public transportation services to sit on such panels, with the right to vote. Allowing more stakeholders to play a meaningful role in the shaping of transportation policy will allow for early consultation and the ability to build coalitions to facilitate assistance in the advocacy of PPPs as well as other ideas.

ATU SUPPORTS:

1) Increasing federal transit funding by 20% annually, so that by FY 2015, the program would be funded at nearly $31 billion annually;

2) Maintaining the budgetary firewalls that guarantee transit funding;

3) Increasing rural transit funding at levels determined by CTAA;

4) Implementing a $1 monthly surcharge on public transportation monthly tickets;

5) Increasing the federal gas tax by ten cents over the course of the next reauthorization period, and indexing the tax to inflation; and

6) Requiring the FTA/FHWA regulations on Statewide and Metropolitan Transportation Planning to mandate fair and equitable voting representation of the region's public transportation operating agency or agencies, private sector transit operators, transit workforce representatives, minority groups, disabled persons, transit riders, smart growth groups, businesses, and others with a direct stake in the provision of public transportation services on the policy board and technical committees of Metropolitan Planning Organizations.

ALLOWING LOCAL CONTROL OF FTA FUNDS

Of course, increased federal spending on transit, while sorely needed, will not by itself solve the major service issues that most transit agencies are currently experiencing. Ironically, while high fuel costs are encouraging more people to ride transit, rising diesel prices are also causing transit systems nationwide to raise fares, cut service, lay off staff, and delay capital spending. Like other consumers, the transit agencies are also paying more for fuel – 44% more this year than last.[15]

The reason for the service cuts is simple. Transit systems, with few exceptions, may not use their FTA funds for operating expenses. Under current law, transit systems located in areas 200,000 or above in population may not use their federal funds for operating assistance (except for preventive maintenance). FTA funds were

[15] *Ridership is up, but fuel costs strain transit agencies*, by Marisol Bello. USA Today, May 30, 2008.

previously eligible for operating purposes.[16] But in an effort to increase capital spending, Congress phased out this program in 1998. This has caused a great strain on many small and medium sized systems. Especially hard hit have been transit systems located in areas that have just barely gone above 200,000 in population (according the U.S. Census).

At a time when demand for buses and trains is at one of its highest points in history, we have transit agencies cutting back. This makes no sense. Transit needs to be part of the *solution* – not the victim – of high gas prices.

We cannot continue to leave customers stranded at bus stops because our buses are filled to capacity. If transit is going to play a significant role in helping the U.S. reduce its dependence on foreign oil and provide travel alternatives to working families who are being squeezed by soaring fuel prices, the industry needs to put more service on the streets. Local transit systems need more flexibility in the use of their FTA funds.

For many of these transit agencies, even if the federal government provided enough funds to double the size of their existing fleets, they would likely be forced to keep the majority of those buses in the garage. State and local tax revenues, which support the bulk of transit operations, are way down, and fuel prices are busting their budgets.

And it is not just small transit systems that are feeling the squeeze. According to a recent industry-wide survey, more than 90% of systems, large and small, report that they are facing limitations in their ability to add service to meet increased ridership demands. The most common limitation is budgetary, with 65% reporting insufficient revenue to operate additional service. While 85% of transit systems report capacity constraints on at least portions of their system, more than 60% are considering fare increases and 35% are considering service cuts.[17]

ATU supports giving local transit systems the option to use a portion of their FTA funds[18] for operating purposes, including labor, fuel, administrative costs, and maintenance.

The current FTA rules no longer work in today's changing world. We cannot continue to leave customers stranded at bus stops because our buses are filled to capacity. If transit is going to play a significant role in helping the U.S. reduce its dependance on foreign oil and provide travel alternatives to working families who are being squeezed by soaring fuel prices, **the industry needs to put more – not less – service on the streets. Local transit systems need more flexibility in the use of their FTA funds.**

Transit Operations Spending Creates Jobs

Moreover, with Wall Street crumbling and jobs being lost by the thousands each month, Congress should

16. See the Section 9 "Urbanized Area Operating" program which existed prior to TEA 21. Section 9 is now section 5307.
17. *Rising Fuel Costs: Impacts on Transit Ridership and Agency Operations, Survey Results. APTA*, September 2008.
18. Section 5307.

realize that transit operations spending provides a direct infusion to local economies. More than 570 jobs are created for each $10 million invested in the short term. Every $1 billion invested in public transit operations generates 60,000 jobs. [19]

Other Options

There are also other options for Congress to consider in the area of operating assistance. One innovative idea, introduced as the *Transit System Flexibility Protection Act*[20] would allow U.S. DOT to make grants to a transit system to finance the operating cost of equipment and facilities for use in transit in an urbanized area with a population of more than 200,000 if such transit system operates less than 100 buses on fixed route service during peak service hours. This bill, endorsed by transit systems making up APTA's so-called "100 Bus Coalition" has the full support of the ATU.

And, a recent APTA survey found that 56% of transit agencies say that the provision of financial support for fuel purchases was the one federal action that would be most effective in helping address increases in fuel and ridership.[21] ATU strongly supports the *Saving Energy Through Public Transportation Act,*[22] which would **allow transit systems to use their FTA funds for fuel.** Subsidizing transit fuel costs to move millions of people more efficiently just makes sense.

Without more flexibility in the use of their FTA funds, transit agency budgets will be stretched to capacity, resulting in more service cuts and fare increases, just when Americans are relying on transit in record numbers.

ATU SUPPORTS:

ENCOURAGING STATE INVESTMENT

Of course, there is more than one way to generate more operating assistance for transit agencies. One way (as discussed above) is to change the federal rules. Another is by **encouraging states and local communities** – which bear the bulk of the responsibility for funding transit operations – to invest more.

Too many states are shortchanging transit at a time when their residents are looking for more travel options.

[19] *A Quantitative Analysis of Public Transportation's Economic Impact.* Cambridge Systematics, Inc. And Economic Development Research Group, October 1999, page E-1.

[20] H.R. 734/S. 406, 110th Congress.

[21] *Rising Fuel Costs: Impacts on Transit Ridership and Agency Operations*, APTA.

[22] H.R. 6052/ S. 3380, 110th Congress.

Just seven states are responsible for more than 80% of all state transit funding. The other states fund transit at an average of just over $42 million annually. In fact, nearly one fifth of states fund transit at less than $1 million annually, and four states do not provide funding at all.[23]

In recent years, the lack of state funding has caused transit crises in a number of areas. For example, State Legislatures and Governors in California, Illinois, Massachusetts, Ohio, Pennsylvania, and Rhode Island, among others, have had to consider so-called "rescue" packages just to avoid massive service cuts, layoffs, and fare increases.

In addition, even as the federal surface transportation program has sought to become more flexible – allowing states to use federal highway funds for transit projects, and transit funds for highway projects – the states have not followed suit with respect to the use of their own funds. Thirty-four states still restrict *all* highway trust fund resources **solely for highway purposes.** While 23 states have such restrictions in their state constitutions,[24] 11 are limited in their use of transportation funds due to long-standing statutory provisions.[25]

The federal government needs to play an active role in leveraging state and local investment – encouraging states and local governments to provide resources for public transportation. Generating more non-federal revenue is the key to putting more transit service on the streets.

ATU recommends the establishment of the "*Flexibility Incentive Grant*" (FIG) program within the FTA.[26] This program would provide additional federal surface transportation dollars to states that increase their own level of funding for bus, rail and ferry services.

Some states are already investing in public transit, and they would be rewarded for doing so under this program. Other states which have not yet seen the benefits of expanded bus and rail service would be given an incentive to invest in more than just new highway construction. Under this bill, everyone wins.

The FIG Program would allocate federal transportation funds to states that (1) *increase* spending on public transportation; 2) *create* a transportation trust fund that distributes funds for public transit; or 3) *unlock* their existing highway trust fund by distributing transportation dollars for both highways and transit.

The money allocated under the FIG program would be **bonus** money – so it would not impact formula or capital funds received by urbanized areas or states from other federal transit programs.

And, as the name of the program suggests, the federal dollars awarded through this new program would be flexible, meaning that they could be used by states for any highway *or* transit project.

States are not investing nearly enough in public transportation. In order to get the most out of our federal resources, FTA should have programs that encourage states and local governments to get more transit service out on the streets. The Flexibility Incentive Grant program is an innovative way to leverage state and local investment in public transportation.

[23] California, Illinois, Maryland, Massachusetts, Pennsylvania, New Jersey, and New York provided $7.7 billion of the $9.5 billion that states appropriated for transit in 2005. *Survey of State Funding for Public Transportation* – 2005, prepared by the U.S. Department of Transportation Bureau of Transportation Statistics.

[24] See the state constitutions of Alabama, Arizona, Colorado, Georgia, Idaho, Iowa, Kansas, Kentucky, Maine, Minnesota, Missouri, Nevada, New Hampshire, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Utah, Washington, West Virginia, and Wyoming.

[25] See highway-only statutes in Alaska, Arkansas, Florida, Hawaii, Indiana, Mississippi, Montana, Nebraska, New Mexico, South Carolina, and Tennessee.

[26] As provided under H.R. 1606, 110th Congress.

In summary, if a state increases its level of spending on public transportation, then it receives extra federal surface transportation funds that it may use as it sees fit. Significantly, under the proposed program, other non-federal resources (local government funds) may also be counted towards the states' total.

The idea is derived from a recent federal highway program which granted federal transportation dollars to states as a reward for increasing their level of seatbelt usage, based on a national average. Similarly, the FIG Program would award flexible transportation dollars to states on the condition that they raise their level of spending on public transportation.

This is a new concept for the federal transit program. Rather than simply granting funds to states and cities on the condition of a nominal local match, we would be providing them with a real incentive to put some of their own resources towards expanding public transit services.

State and local transportation funding needs to become more flexible. We can make that happen with a federal incentive – a FIG grant.

ATU SUPPORTS:

1) Establishment of the Flexibility Incentive Grant (FIG) program within FTA to encourage states to invest in public transportation.

INCREASING RIDERSHIP

Even with the recent surge in ridership, only about 5% of the nation's 128.6 million workers use public transportation to get to work.[27] While recent trends serve as evidence that people are willing to change

their travel habits if the alternative is convenient, safe, and economical, it first must be made **available**. Unfortunately, today, 54% of Americans still have no access to transit.

If twice as many Americans had the choice of taking public transportation, gasoline savings would total **2.8 billion** gallons each year.[28]

ATU recommends a number of innovative ways to make transit more available and attractive to people across the United States.

Commuter Benefits

Raise the Monthly Cap on Employer-Provided Tax-Free Transit Passes to Equal Parking Benefits

The federal tax-free transit benefits program[29] (also known as the Commuter Choice Program) has been a wonderful and innovative initiative that has drawn many people out of their cars. Under the program, employers may give their workers up to $115 per month to cover public transportation commuting costs as a tax-free benefit. Alternatively, employers can allow employees to pay for transit commuter benefits with payroll deductions, or they can share these costs with employees by paying part of the commuter

[27] U.S. Census Bureau News Release, March 2, 2004.

[28] *Public Transportation and Petroleum Savings in the U.S.: Reducing Dependence on Oil.* Prepared for APTA by ICF International, 2007.

[29] Authorized under Section 132(f) of the Internal Revenue Code, as modified by the Taxpayer Relief Act of 1997 and TEA 21.

benefit and allowing employees to pay the remainder using pre-tax dollars.

Under this unique program, everyone wins. Employees do not pay federal income tax on transit commuter benefits, and employers can deduct their costs for providing such benefits, and avoid payroll taxes on such benefits, regardless of who pays.

However, federal tax laws still encourage people to drive alone to work, as the maximum monthly level allowed for tax-free parking benefits is $220, nearly twice the transit benefit. **The transit benefit should equal the parking benefit.**[30]

Moreover, recent fare hikes across the nation have left current IRS limitations for this program commuting costs, not to exceed the maximum allowed by law, in the form of passes or vouchers, purchased by the federal agency with appropriated funds. As part of a pilot program, all employees nationwide of the Departments of Transportation (DOT) and Energy (DOE) and the Environmental Protection Agency (EPA) were offered these same benefits. The program has been highly successful, and it is time to expand it to all federal employees nationwide.

Moreover, the program should be extended to **state employees** as well. As a condition of receiving federal transit funds, states should be obligated to at least offer the tax-free transit benefit to their employees, and encourage local governments to offer the benefit to their workers.

With gas prices at record highs, if more people realized that they could potentially commute to work with little or no out of pocket costs, they would leave their cars at home. Transit ridership would increase substantially.

inadequate. This is especially true for commuter rail customers, many of whom pay hundreds of dollars for monthly passes.

Reducing out of pocket costs for people is the best way to encourage them to try transit. Quite simply, if transit service is safe, convenient, and **affordable** for people, they will be much more likely to use it.

Make the Commuter Benefits Program Available to All Federal, State and Local Government Employees.

SAFETEA-LU codified a federal executive order[31] requiring all federal employees in the National Capital Region to be offered a benefit equal to their

By making these simple changes, more than three million federal workers, five million state employees[32] and millions of people employed by local governments could be encouraged to commute to work by transit. In these challenging economic times, paying for all or part of peoples' monthly fares is the best way to get them to make the switch.

Require FTA to Conduct a Public Relations Program on the Commuter Benefits Program, and Compel Transit Agencies to Promote the Program in Partnerships with Local Businesses.

Under normal circumstances, if a person is provided a service with little or zero out of pocket costs, they take advantage of it – even if it is something that they do

30. As provided in S. 712/ H.R 1475, 110th Congress.
31. Executive Order 13150, "Federal Workforce Transportation," April 21, 2000.
32. *U.S. State Government Employment Data: March 2006*, U.S. Census Bureau.

not even need. However, this has not been the case with the tax-free transit benefits program. While the program has certainly grown, the number of people who take advantage of this benefit through their employer is still relatively low, and the main reason is that the majority of transit riders – and non-transit customers – are simply not aware of it. Neither are large and small businesses, which can benefit from payroll deductions.

As FTA points out, "Excessive automobile use takes a toll on the environment. *Commuter Choice* offers employees a *tax-free* fringe benefit to commute on public transit or in vanpools. The goal of *Commuter Choice* is to make it as economical for employees to use mass transit as it is to drive. Reducing the number of cars on the road improves air quality, reduces traffic congestion, conserves energy, and saves wear and tear on roadways."[33]

Unfortunately, the "Commuter Choice" section is buried deep in the FTA's website materials, and it has not been a high priority. Further, the agency simply recommends people to check with their human resources department or reach out to their local transit agency for further information. FTA needs to be the leader in promoting this critical program through a major public relations campaign.

Moreover, as a condition of receiving federal assistance, all FTA grantees should be required to develop programs to sell vouchers or passes to employers for distribution to employees. In addition, transit systems should be required to spend a percentage of their federal funds to reach out to educate local businesses, transit customers, and non-transit riders about Commuter Choice.

Fare-Free and Reduced Fare Transit Programs

The most effective way to attract people to public transit is by eliminating fares. Studies have shown that in general, converting to a fare-free system can produce an approximate 30% increase in ridership.

Smaller Communities

There are a number of small and medium sized communities that have successfully offered fare-free transit to their customers for many years, including Commerce, CA, Amherst, MA, Island County, WA, Logan, UT and Chapel Hill, NC. Reduced fare programs also work. In the summer of 2008, Red Rose Transit Authority in Lancaster, PA cut fares to $.25 for an entire month on all routes, resulting in a 36% increase in ridership.

Of course, such programs must be structured properly to avoid unintended consequences. Fare-free programs are most successful on transit systems with less than one million annual riders because fare collection represents a higher percentage of operating costs in smaller systems. Moreover, small systems are better able to keep track of problem riders and implement educational efforts aimed at preventing unacceptable behavior.

The reauthorization bill should provide funding to expand innovative fare-free or reduced fare transit programs for systems whose annual ridership is approximately one million or below. Such programs have the potential to lure many "choice" riders out of their cars.

Large Urbanized Areas

Although more than a dozen major cities – including Seattle, Portland and Salt Lake City – offer free rides on a small portion of their systems,[34] large transit systems that have attempted fare-free transit have

[33] *"Commuter Choice"* page, FTA Website.

[34] *Advantages and Disadvantages of Fare-Free Transit Policy.* Joel Volinski and Jennifer S. Perrone, National Center for Transportation Research, Center for Urban Transportation Research (CUTR), October 2002.

generally encountered issues with graffiti, vagrancy, rowdiness, and a degradation of service. In these areas, a more targeted approach is appropriate. For transit systems with annual ridership above one million, ATU recommends a pilot program aimed at increasing transit ridership among low income individuals. A new grant program should be established that would provide transit agencies with funds to offer reduced or fare-free transit to working families that are struggling, using some of the same eligibility guidelines as the *Job Access and Reverse Commute Program*, which include the number of low income persons and welfare recipients living in an area.

Agencies should be required to develop innovative ways to promote their reduced fare or fare-free programs. And following the free or reduced fare ridership period, transit agencies should be required to educate their riders' employers about the tax-free transit pass program. In addition, to measure the success of these initiatives, a follow up report should be required, comparing ridership numbers one full year before and one full year after the pilot program ends.

Access and Land Use

Transit will never reach its full potential in providing social, economic and environmental benefits without a supportive "built environment" with excellent access to transit stops and stations. Quite simply, if unnecessary physical barriers exist for people – especially elderly and disabled individuals – to gain easy, safe access to a transit stop, they are likely to choose another form of transportation. This is especially an issue for public transportation providers in suburban locations.

Although decisions about the so-called "built environment" are made at the local level, and should remain at the local level, Congress can take steps to encourage and support pedestrian and bicycle access to public transportation, public transportation supportive urban design, and the "complete streets" concept to improve community livability, environmental quality and economic health.[35]

ATU SUPPORTS:

1) Raising the monthly cap on employer-provided tax-free transit benefits to the level allowed for parking benefits (currently $220 per month), to encourage more people to ride public transportation;
2) Making the tax-free commuter benefits program available to all federal, state and local government employees;
3) Requiring FTA to conduct a public relations program on the commuter benefits program, and compelling transit agencies to promote the program in partnerships with local businesses;
4) Developing targeted fare-free and reduced fare pilot programs; and
5) Encouraging greater pedestrian and bicycle access to public transportation.

CREATING TRANSIT WORKFORCE DEVELOPMENT PROGRAMS

The public transportation industry, like many service-based sectors in the United States, will be faced with major challenges in the near future. A large percentage of the transit workforce – both blue and white collar – will be retiring within the next few years. There is no pipeline of replacements on the horizon because the industry has a negative public image that hampers its ability to attract, recruit, and retain quality employees. And, for the existing workforce, new technology is rapidly changing the way transit agencies function, affecting

[35] As recommended by APTA.

every executive director, mid-level manager, bus driver and mechanic alike. Yet, relatively few programs exist to provide training to workers so that they can perform their jobs adequately, move up the career ladder, and help the nation's transit agencies operate at maximum efficiency.

FTA allocates billions of dollars each year through its New Starts, Fixed-Guideway Modernization, and Bus and Bus Facilities programs to address the transit industry's so-called "Capital Investment" needs. Yet, virtually nothing is spent to deal with the major "human capital" issues which threaten to paralyze public transportation systems throughout the U.S. in the near future.

Midway through the TEA 21 period, APTA conducted a major workforce development initiative. In 2001, the association's "*Workforce Development Task Force*" completed a blueprint for workforce development for the public transportation industry for the 21st Century. Among that effort's key findings was a need for serious labor-management collaboration and partnership in the area of workforce development.[36]

Many factors, including changing birth and immigration rates, college enrollment trends and a competitive labor market have implications for all employers, including transportation agencies.[37]

Public Transportation Industry Challenges

The transit agency workforce has several unique characteristics which impact workforce development:

- A rapidly aging workforce – the majority of present day transit systems went public in the 1960s and 1970s as a result of the establishment of the federal transit program. Many workers who began their careers more than 30 years ago are retiring.
- It is in constant contact with the public, and about 75% of employees – operators and maintenance staff – are responsible for high standards of efficiency and public safety.
- Approximately 90% of the workforce is unionized.
- Opportunities for advancement are generally limited.
- The industry has suffered from a poor or uncomplimentary image in the past, which hampers recruiting efforts.
- Transit agencies provide a schedule-driven customer service. As a result, the majority of the transit workforce – transit equipment operators – functions in a rule-bound, seniority-based environment with little flexibility. This type of workplace has its drawbacks for recruiting younger employees.[38]
- At the highest levels, the transit industry has issues with diversity. In urban areas, African Americans and Latinos comprise 62% of bus riders, 35% of subway riders and 29% of overall commuters. Yet, only three of the top 20 public transit agencies are currently led by CEOs of color.[39]

[36] *Workforce Development: Public Transportation's "Blueprint" for the 21st Century.* APTA, 2001.

[37] *The Workforce Challenge, Recruiting, Training and Retaining Qualified Workers for Transportation and Transit Agencies.* The Transportation Research Board of the National Academies, 2003, page viii.

[38] *The Workforce Challenge*, (TRB), page 40-41.

[39] *Lack of Substantive Outreach to Minorities for Executive Searches in Public Transit*, Transit Cooperative Research Program problem statement 28 (FY 2008), submitted by the Conference of Minority Transportation Officials.

- Like the general population, transit is witnessing changing demographics in its workforce, including the entry of new immigrants, greater diversity and changing generational attitudes.
- Transit has a range of critical recruitment issues (both industry-wide and area specific), including severe labor shortages for entry-level positions, major gaps in critical specialty areas such as engineering, information technology, maintenance, and marketing.[40]
- The industry has institutional barriers to workforce competitiveness and innovation, i.e., noncompetitive compensation practices, inadequate career development and succession planning, lack of workplace flexibility, and failure to systematically integrate human resources considerations into overall business planning.[41]

According to a recent transit industry survey, driver recruitment and retention continues to be the greatest challenge for 63% of transit systems. By way of comparison, the next greatest challenge (fuel costs) was listed at only 16%. Finding experienced labor trails only funding costs and concerns as transit agencies' top concern.[42]

The Impact of New Technology and Need for Training

New technology is having a dramatic impact on every aspect of the industry, from electronic fare collection, to alternative fuel vehicles, to new communications devices that will forever alter the way people travel. Much of the new technology has been spurred by record funding from the federal government. Since the enactment of TEA 21 in 1998, transit systems have been fortunate to participate in many ribbon cutting ceremonies celebrating the opening of new bus depots and rail lines. Without question, the industry has an excellent record investing in rolling stock.

Unfortunately, the same cannot be said of our ability to invest in so called human capital – the people who serve as the backbone of any successful transit system. Bus and train operators serve as the public face of the organization on the street. In this post-9/11 world, they also protect passengers and other community members with their eyes and ears. Maintenance workers and others working behind the scenes – both blue and white collar employees – ensure that the system continues to operate in a cost effective, time efficient manner. Yet, funding for training and career ladder programs within the transit industry is virtually nonexistent.

With the imminent retirement of a huge percentage of the workforce, the need for training is even greater in order to avoid the loss of institutional knowledge.

Training Funds Underutilized

Under SAFETEA-LU, transit agencies are authorized to spend up to 0.5% of federal operating and capital funds (about $40 million annually) for training purposes. The FTA does not track how much is used for training, but anecdotal information from FTA, APTA and ATU indicates that they do not use much, if any, of these funds for training.[43]

Current Law Ignored

Just one section of SAFETEA-LU is designed to address workforce development issues within the transit industry. Under 49 USC § 5322(a), the Secretary is authorized to make grants for programs that

40. *Workforce Development: Public Transportation's "Blueprint" for the 21st Century,* page 16.
41. *Workforce Development: Public Transportation's "Blueprint" for the 21st Century,* page 21.
42. *Metro Magazine 2008 Fact Book,* November 2007.
43. *The Workforce Challenge,* (TRB), page 69.

address human resource needs as they apply to public transportation activities. A program may include an employment training program; an outreach program to increase minority and female employment in public transportation activities; research on public transportation personnel and training needs; and training and assistance for minority business opportunities. This long-standing provision of federal law has been **ignored** by the industry and the FTA. Since FY 2006, only four grants have been provided as authorized under Section 5322(a).

Moreover, under Section 5322 (b), FTA is authorized to make grants to states, local governmental authorities, and operators of public transportation systems to provide fellowships to train personnel employed in managerial, technical, and professional positions in the public transportation field. Remarkably, this program has been funded at **$0 throughout the life of SAFETEA-LU, and no program of significance came about as a result of this section under TEA 21.**

Transit Career Ladder Training Program

The *Transit Career Ladder Training Program* (funded at $1 million annually under SAFETEA-LU) carried out by the International Transportation Learning Center (Center), a nonprofit organization, is essentially the only national program that has begun to address the massive training crisis that the industry is facing. The Center develops and supports standards, models and systems for training and career ladder programs in public transit. It builds partnerships between labor and management that improve organizational capacity and expands worker skills and career opportunities.

The Center's *Transit Technology Career Ladder Partnership* program brings together transit systems and their unions to develop skill partnerships and is led by leaders from ATU, APTA and transit systems across the United States. Through this program, thousands of maintenance workers have received the training necessary to do their jobs more efficiently, and many have been promoted as a result. In addition, the mean distance between failures due to vehicle aging declined sharply in garages that have participated in the program. Moreover, total labor and parts savings in bus maintenance/repair categories have risen rapidly since the start of training in Pennsylvania, the state which has seen the bulk of training through the program.[44]

Unfortunately, due to limited funding, this program has not been able to expand to the majority of states. In addition, the current structure of the program, in which the Center works with transit properties individually, essentially introducing the program to one public transportation agency at a time, is inefficient and time consuming. There is little coordination among neighboring transit properties which often share the same issues in the area of maintenance. **Regional cooperation is virtually nonexistent.**

Moreover, the Center's activities are generally limited to the maintenance area. The many other workforce development issues cited above – which impact both blue and white collar employees – are not being addressed in any structured manner through the federal transit program, despite the authorizing language.

The Need to Look Beyond the Transportation Sector

As noted above, the workforce crisis is not limited to the transit industry. Within the transportation arena, a majority of the air traffic control workforce

[44] *Transit Partnership Training: Metrics of Success*. International Transportation Learning Center, 2007.

will retire over the next 10 years. As a result, the Federal Aviation Administration is hiring more than 12,000 new trainees (that take 3-5 years to become fully certified controllers) over the next decade. Similarly, the U.S. trucking industry is experiencing a national shortage of truck drivers that has become a limiting factor in the operations of many companies. The industry faces a variety of issues in meeting the future demand for all drivers and the shortage is particularly severe for over-the-road long haul drivers.

Rather than focusing on the transportation sector, however, APTA's *Workforce Development Task Force* recommended looking to other industries. While there are of course many such industries with similar human resource challenges, the American nursing profession has developed some of the most innovative legislative packages in response to the myriad of workforce development issues in that field. In addition to recruitment and retention issues, the nursing profession also shares similar issues with transit insofar as workplace health and safety, diversity, the impact of immigration, and other areas. The Nursing Workforce Development programs administered by the Health Resources and Services Administration under Title VIII of the *Public Health Service Act* therefore provide an invaluable framework for the development of transit workforce development legislation.

The Transportation Job Corps Act

The ATU supports the *Transportation Job Corps Act of 2008*,[45] groundbreaking legislation that would finally address the training needs of the public transportation industry and serve to provide disconnected youth outside the industry with an incentive to pursue careers in transit.

The bill would rewrite Section 5322 and authorize the creation of ten new regional Joint Workforce Development Councils (JWDCs) – one for each FTA region. The councils, made up of equal numbers of labor and management representatives, would be responsible for setting up a process to offer workforce development programs to transit agencies in each of the FTA zones.

The primary purpose of this program would be to identify skills gaps in transit agency maintenance departments and to develop programs to train maintenance employees on a regional basis, rather than one agency at a time. The councils would also develop programs to address the recruitment and retention of white and blue collar workers as well as programs to deal with *Family Medical Leave Act* (FMLA) issues, including absenteeism, ergonomics, "well care" programs, child care and other employment-linked services, and other matters. All activities would be coordinated through the International Transportation Learning Center.

Furthermore, the bill would create new programs aimed at enhancing the transit workforce by initiating and maintaining transit worker retention programs, including grants for career ladder programs, workforce diversity grants, and "Transit Youth Opportunity Grants."

Workforce Crisis Must be Averted

If steps are not immediately taken to address retirement, training, and other pressing issues facing the industry, we are headed for an imminent workforce crisis. The current approach to addressing human resource issues in transit is simply not working. Where work is being done at all, it is only through a piecemeal approach that will result in the transit industry continuing to lag

[45] H.R. 7053, 110th Congress.

behind the transportation sector and other industries in the ability to attract, recruit, and retain employees.

A great deal of research has been conducted in the last decade to determine how the public transportation industry can become an employer of choice, while strengthening the image of transit agencies as vibrant, meaningful, great places to work. As a result, numerous recommendations have been made by leaders on all sides of the industry. The proposal set forth above represents the first compilation of these ideas that has ever been put forth in a comprehensive legislative initiative in the history of the public transit industry. It may be summarized quite simply as an effort to **consolidate, innovate, and invest.**

While this proposal alone is by no means the answer to all of our industry's workforce development issues, it could very well provide the structure necessary to not only address the critical matters affecting blue and white collar workers in transit, but also serve as a model for other sectors both inside and outside of the transportation arena.

Labor Representation on the Transit Cooperative Research Program's TOPS Committee

Finally, in recent years, funding for key initiatives of the *Transit Career Ladder Training Program* carried out by the International Transportation Learning Center has been heavily supplemented through the Transit Cooperative Research Program's (TCRP) Oversight and Project Selection (TOPS) Committee. For example, TOPS funded the Automotive Service Excellence (ASE) organization to develop tests for transit bus mechanics, an initiative that is likely to have a dramatic impact in transit maintenance. In 2008, two new TCRP projects were started on a joint labor-management basis. One project, "Extending and Deepening Transit Training Standards" is developing methods and pilot programs for sharing training courseware and establishing a functioning national framework for transit apprenticeship. The other, "Developing a Joint System for Certification of Rail Car Maintainers" is building on the joint development of rail car training guidelines. These committees are making excellent progress on a multi-year agenda to develop and pilot test a joint approach to certification that will work well for transit workers and their unions as well as for transit systems and the riding public.

The Transit Development Corporation (TDC), which serves as the governing board for TOPS, has bylaws which provide that 14 of the panel's 24 members shall be general managers, chief executive officers, or members of the governing board of transit systems. The other ten members are comprised of a group consisting of private manufacturers, suppliers, consultants, universities, and national organizations representing transportation interests. Typically, transit labor has been granted only one slot on the committee, and ATU has been informed repeatedly that TDC is actually under no obligation to invite any labor organization to participate.

Based on the make-up of the committee, it is not surprising that funding for the critical projects cited above would not have been possible without the leadership, support, and guidance of the ATU, which has been fortunate to participate on the TOPS committee for two three-year terms. However, unlike APTA, which has a permanent, Ex Officio slot on the TOPS Committee, the ATU representative is subject to term limits. As a result of the recent completion of two terms, ATU was forced to leave TOPS, and the union was invited back only after a special plea to the committee resulted in the authorization of a new labor slot. However, unlike the APTA position, the labor representative is still subject to term limits.

Transit employees in America are represented by only a small group of unions. In fact, with respect to full time bus operators (the bulk of the transit industry), ATU is one of only 11 unions representing the workers, and 169 of the 231 systems are represented by ATU.[46] It makes little sense to limit the time served by transit labor representatives on TOPS in the same manner as general managers because while the committee has a wide pool of talented managers from which to choose, the same cannot be said on the labor side. If the term limits provision is not stricken for labor, six years from now, ATU will be in the same position again, and with mergers occurring quite often in organized labor, there could very well be even fewer transit unions from which to select a representative.

In the interest of balance, the committee's ratio of management to labor representatives – which is currently 22-2 – should obviously change. However, in the interest of keeping the board at a manageable level and not requesting anyone to step down, ATU is calling on Congress to simply require TDC to provide transit labor with a **permanent** voice on the TOPS committee, exactly as provided to APTA.

ATU SUPPORTS:

1) The *Transportation Job Corps Act of 2008*, which would create a career ladder grant program within the FTA to help existing workers retain jobs while also recruiting and preparing young adults across the nation for jobs in the transit sector;

2) Increasing funding for the International Transportation Learning Center to the same level as the National Transit Institute;

3) Making training a permissible use of Section 5307 urbanized area formula funds and Section 5311 rural formula funds at levels determined by public transit systems in partnership with their labor organizations; and

4) Authorizing the president of the labor organization representing the plurality of public transportation workers in the United States (or his or her designee) to serve on the TOPS Committee Ex Officio, on a permanent basis as a voting member, so that transit workforce development and other research projects may continue to be carried out as a true partnership between labor and management.

MAINTAINING TRANSIT LABOR PROTECTIONS

Preserve Section 13(c) Transit Employee Labor Protections and Apply them to All Federal Transit Grant Programs

The U.S. public transportation industry has experienced remarkable labor relations stability during the 44 years of the federal transit program. This has allowed transit employees to go about the business of their most important role: **Moving America Safely**.

[46] *Full-Time Bus Operators' Top Hourly Wage Rates*, prepared by John A. Dash and Associates (July, 2008).

The basis for five decades of labor-management cooperation is Section 5333 (b) of Title 49 of the United States Code (formerly Section 13(c) of the Federal Transit Act), which states that when federal funds, most recently authorized under SAFETEA-LU, are used to acquire, improve or operate a transit system, there must be arrangements to protect the rights of affected transit employees.

The crucial so-called Section 13(c) provisions ensure the continuation of collective bargaining rights and benefits for nearly 360,000 urban, suburban and rural transit employees under existing collective bargaining agreements. The statute protects transit workers from adverse affects that may arise when federal dollars are invested in their local transit systems. This sensible, balanced system fosters **unmatched labor-management stability**, ensuring a **highly trained, experienced, safe and professional workforce**, allowing for the development of significant technological, structural, and productivity improvements.

Federal reports concerning the transit labor arrangements required by Section 13(c) of the Federal Transit Act have found that the provision has functioned exactly as intended, and has not interfered with the efficient provision of transit services, clearly substantiating the ATU's long-standing position that Section 13(c), while providing important collective bargaining and job protection, has helped to improve working relationships between management and labor.

One report, entitled ***Transit Labor Arrangements: Most Transit Agencies Report Impacts Are Minimal,***[47] supports the ATU's long-held notion that the provision has served to enhance labor-management stability, rather than increase the costs of transit operations, as stated by critics. The GAO surveyed more than 100 transit agencies in the U.S., who overwhelmingly reported that Section 13(c) has had only a minimal impact on (1) labor costs, (2) the ability to adopt new technologies, and (3) the ability to modify transit operations. In fact, more than 70% of transit agencies indicated that certain other federal requirements, such as compliance with the Americans with Disabilities Act, were far more burdensome than Section 13(c).

No Hindrance to Technological Change

Similarly, 85% of the agencies reported that Section 13(c) did not affect their decisions to adopt new technologies. For example, of the 76 agencies that considered adopting a computer assisted dispatching and scheduling system, only two indicated that Section 13(c) influenced their decisions whether to adopt that technology.

This is not at all surprising. For more than 100 years, the ATU has, in fact, been an industry-wide leader in encouraging and embracing new technology in transit to make service safer, thereby protecting our members and improving the efficiency of operations.

On the issue of operations, most agencies reported that Section 13(c) was not a factor in their decision whether to modify services. When agencies indicated that they had considered changes in their transit operations, on average 81% of those decisions were not influenced by Section 13(c). Further, 63% of the transit agencies reported that Section 13(c) *did not have any effect* on their relations with the unions representing their employees, and some even said that Section 13(c) made their labor relations more amicable.

No Issue With Grant Delays

Most significantly, however, the report notes that an overwhelming majority of the transit agencies have been satisfied with the timeliness of FTA's grant processing,

[47] U.S. General Accounting Office (GAO), 2001.

confirming a 2000 GAO report which found that **98% of the Department of Labor's applications were processed well within the two-month period required by the agency's new guidelines.** These findings support the ATU's position that Section 13(c) does not substantially delay the flow of capital for transit projects.

Allows for Smart Public/Private Choices

Historically, one of the major issues raised by Section 13(c) critics has been that it impairs the ability of transit agencies to contract out for transit services. However, some of the transit officials in the GAO report suggested that Section 13(c) does *not* directly limit an agency's actual ability to contract out, a claim supported by a Transportation Research Board (TRB) report.[48]

The TRB report correctly notes that, in fact, hundreds of U.S. transit systems, of all sizes and types, now contract for some transit services, and approximately one-third of the agencies contract out more than 25% of their service. *Most significantly, the report indicates, neither the general managers that currently contract, nor those that do not, identified Section 13(c) as influencing their decision.*

ATU SUPPORTS:

1) Continuation of the critical transit employee labor protections provided by Section 13(c) of the Federal Transit Act; and
2) Application of Section 13(c) protections to *any* new federal transit programs or innovative financing mechanisms created through SAFETEA-LU's reauthorization.

PROVIDING FOR OUR NEEDIEST CITIZENS

Despite the best of intentions in past reauthorization bills, public transportation is still not meeting the needs of America's most vulnerable citizens – elderly, disabled, and low income individuals. It is time for Congress to provide the framework and resources necessary to ensure that transportation is no longer a barrier in people's ability to work, play, and live life to the fullest extent possible throughout our communities.

Seniors: Shut In Their Homes

For a variety of reasons (declining health, concern over safety, no car or access to a car, among others) more than one-fifth of Americans age 65 and older do not drive.[49] Yet, nationally, only about 7% of transit passengers nationwide are age 65 or older.[50] How then, are 20% of our non-driving older Americans getting around? Unfortunately, the general answer is that they are not.

The Section 5310 *Elderly Individuals and Individuals with Disabilities Formula Program*, which generally

[48] *Contracting for Bus and Demand-Responsive Transit Services: A Survey of U.S. Practice and Experience*, Transportation Research Board, 2001.
[49] *Aging Americans: Stranded Without Options.* Linda Bailey, Surface Transportation Policy Project, 2004.
[50] APTA, *Americans in Transit*, 1992.

distributes funds to private non-profit organizations providing transit for seniors, is not keeping up with demand. More than 50% of non-drivers age 65 and older – approximately 3.6 million Americans – stay home on any given day partially because they lack transportation options. The more heavily affected populations include African Americans, Latinos, Asian Americans, and people living in rural communities and sprawling suburbs.[51] In addition, the seclusion of our seniors impacts all of us, as this vast portion of U.S. residents is not participating in our already struggling economy.

Despite recent increases in funding for the Elderly and Disabled Program, nearly 60% of Section 5310 vehicles nationwide are in need of replacement.[52] The complexities of this issue will only increase with time, as the number of Americans age 65 or older will grow from 35 million today to more than 62 million by 2025, an increase of nearly 80%.[53]

Disabled Citizens: Deserving of Safe, Affordable, Dependable Transportation

Paratransit service, in some communities known as dial-a-ride or demand response service, which provides critical mobility options for disabled persons, is one of the largest growing areas in public transportation nationwide. This service, rightfully mandated by the Americans with Disabilities Act (ADA), is without question extraordinarily expensive to operate, and it is by and large not funded by FTA. As a result, a large number of U.S. transit systems contract-out their ADA services to low bidding, out-of-town, private transit companies which too often bid too low to realistically meet the standards set forth in the request for proposal from the transit system in order to secure the service.

As a result, demand response service nationwide has been overrun with problems that seriously impact the quality of life for millions of Americans. Horror stories are common for frail, elderly, blind, paraplegic, and other disabled citizens.

On-time performance is a major problem, caused by poor planning and unrealistic schedules. Trips are often scheduled too close together, and drivers say their schedules are impossible to keep. Pick up times are too often far ahead of the needed arrival time at the destination, leaving customers waiting outside and unprotected in varying types of weather conditions. In many locations, when customers are delivered late to their destination, no accommodation is made to pick them up at a later time. Some have said that private contractors "treat the disabled like they're cattle."[54]

Many customers report that reservation agents do not ensure that their address is correct, resulting in the driver going to the wrong address and documenting the customer as a "no-show." Moreover, persons with disabilities nationwide complain that the reservation process takes too long.

Some disabled riders say the problem is not just on-time pickups – it is being stuck in a paratransit van for hours while other riders are picked up and dropped off. In some cases, people with very special needs are literally being held hostage for hours.

In addition, safety issues have been commonplace for paratransit contractors. Some cities have been forced to reprimand contractors for shoddy maintenance programs resulting in a remarkably high number of paratransit vans ordered off the roads because of dangerous safety problems.[55] Recent reports indicate that serious accidents are rapidly increasing[56] and vans for the disabled are failing more safety inspections than ever before.

51. *Aging Americans: Stranded Without Options*, page 1.
52. FTA, 2001.
53. U.S. Census Bureau.
54. *Chicago Paratransit Operator No Stranger to Complaints*. Chi Town Daily News, August 13, 2008.
55. *Paratransit Operator Upbraided*. Las Vegas Review-Journal, July 10, 2008, page 2B.
56. In New York City, for example, paratransit accidents involving injuries and major damage jumped 228% to 619 in 2002, from 189 in 2001. (*New York Daily News*, April 13, 2003).

Private paratransit contractors provide only a fraction of the necessary training for workers as compared to public transit systems that provide the service in house, resulting in further safety concerns.

Moreover, private paratransit contractors' wage and benefit packages have been historically low, resulting in high turnover rates. This has a direct impact on service quality.

In general, private paratransit contractors have been said not to understand the needs of riders and contract requirements. Unfortunately, these problems persist because transit systems usually do not have the funds or capability to verify their contractors' performance data or monitor service. As a result, some cities have discontinued the use of private contractors and brought the work back in house in an effort to gain greater direct accountability for paratransit operations.[57]

The intent of the ADA was not to cause transit agencies to contract-out paratransit services to private companies which cut corners in an effort to increase profits. Unfortunately, this is the state of paratransit operations in America today. Our most vulnerable elderly and disabled citizens are being put at risk every day! Standards are sorely needed to reign in irresponsible paratransit contractors whose sole interest is in making a profit.

Other issues also interfere with the efficient delivery of dial-a-ride services. For example, due to eligibility requirements for federally mandated paratransit service, every three years, permanently disabled paratransit customers must go through the indignity of having to prove that they are still disabled. This is a time consuming process, the administration of which also wastes precious transit agency resources.[58]

SAFETEA-LU created the well-intentioned *New Freedom Program* (Section 5317), which is designed to provide formula funding for transportation services and public transportation alternatives beyond those required by the ADA to assist persons with disabilities, especially in getting to the workplace. Unfortunately, progress in implementing the New Freedom program has been limited. Few governors have designated the entities to receive program funds. Moreover, state and local officials have made limited progress in developing coordinated plans and have expressed "concerns about the impact of matching fund requirements on project selection, the effect of limited program funding on their ability to undertake large projects, and the types of projects that qualify under the "beyond ADA" requirements."[59]

The most significant problem with New Freedom is that it is funded at levels that make it impossible to become a successful, national program to address the crisis of transportation mobility for the disabled population.[60] And, unfortunately, funds are distributed through a formula which has resulted in most cities receiving such small sums that starting up new service is not even an option.

Low Income Individuals: No Ride, No Job

The *Job Access and Reverse Commute* (JARC) program,[61] one of the great success stories from TEA 21, was created to fund the capital and operating costs for transportation providing access to jobs, promoting transit use by workers with non-traditional work schedules, and to facilitate transit to suburban job locations for inner city residents. Ninety-four percent of welfare recipients attempting to move into the workforce do not own cars and must rely on public transportation to get to work. And, while 60% of welfare recipients live in central cities, the majority of new jobs are in the suburbs.

57. *Transit Authority Absorbs TARPS; Complaints Dogged Paratransit Service*. Toledo Blade, September 27, 2008, page B1.

58. *Disabled Riders Question Need For MetroAccess Recertification.* Washington Post, May 20, 2008, page B1.

59. *Transportation Disadvantaged: Progress in Implementing the New Freedom Program Has Been Limited, and Better Monitoring Procedures Would Help Ensure Program Funds Are Used as Intended.* GAO, May 4, 2007.

60. Authorized funding for Section 5317 in FY 2009 is only $92.5 million.

61. 49 USC 5316.

During the TEA 21 period, when funds were awarded on a competitive basis, with some amounts allocated by FTA but most through Congressional designation, the program was heralded as a key element in helping many out of work individuals find non-traditional jobs, many of which were out of reach because of the lack of travel options. Unfortunately, program funding levels have not grown with demand. JARC was funded at $156 million in FY 2008, just six million dollars more than the program's fully authorized level eight years earlier.[62]

Moreover, JARC has been undone by SAFETEA-LU's requirement to distribute program funds by formula. As a result of the departure from competitive FTA selection and (mostly) Congressional designation, JARC funding in some states has decreased by as much as 80%.[63] And while it is true that many states are receiving JARC funds that had not received them in previous years, low funding levels and the formula for the division of the resources has resulted in the identical issues faced under the New Freedom Program – the majority of transit systems receive such paltry allocations that putting actual service on the streets is virtually impossible. Simply stated, the money is spread out too thinly to have a real impact on people's lives.

A Coordinated Effort is Needed

The *National Surface Transportation Policy and Revenue Study Commission* called for the consolidation of a number of transportation programs that have similar objectives. Without question, JARC, New Freedom, and the Elderly/Disabled programs fall into this category. ATU therefore joins APTA in calling for the merging of JARC, New Freedom, and the Elderly and Disabled Formula Programs into a new program, the ***Coordinated Mobility Initiative (CMI)***, in an effort to improve transportation options for America's most highly-dependent transit populations.

Total combined FY 2009 authorized funding for JARC, New Freedom, and Elderly/Disabled is less than $391 million, a relatively small portion of the entire federal transit program. Surely, through a coordinated effort using models of best practices to link public health and transportation planning, this money could be spent more efficiently and the quality of service to our most needy citizens could improve dramatically.

While ATU also agrees with APTA's recommendation to increase funding levels for the new CMI program at a rate consistent with the growth of the federal transit program overall, we respectfully disagree with the recommendation to distribute funds to designated recipients consistent with the JARC and New Freedom models contained in SAFETEA-LU (60% distributed directly to designated recipients in large urbanized areas, and the remainder distributed to states). Even at higher funding levels, this could result in the funds being spread out too thinly. As an alternative, ATU recommends that funds for the entire program be distributed through a competitive selection process designed by FTA.

Efficiency, Labor Standards Critical

In an effort to guard against excessive earmarking under the new CMI and to ensure that the quality of services meets the needs of our most vulnerable citizens, the reauthorization bill should require public transit systems to ensure that all relevant factors are taken into consideration before they contract-out

[62] In FY 2000, the fully authorized funding level for JARC was $150 million.

[63] *Progress Made in Implementing Changes to the Job Access Program, but Evaluation and Oversight Processes Need Improvement*. GAO, November 2006.

paratransit services funded through CMI. The bill should mandate a process which should be used to assess whether it is more effective to use employees of a private business entity or to use public transit employees. When the public transit system has all the information that is necessary to make an informed decision (after soliciting and receiving bids), it should be required to prepare a comprehensive written analysis of the contract cost based on the bid, specifically including the costs of transition from public to private operation, additional unemployment and retirement benefits, monitoring costs, and other factors. Moreover, potential bidders should be required to have a demonstrated ability of providing high quality paratransit services, which equal or exceed the quality of services which could be provided by the public transit agency. Transit systems should be required to prove cost savings and quality assurance to an independent entity, such as a state auditor.

Finally, all grant requirements – including Section 5333(b) labor protections – for CMI should be identical to those mandated by the current JARC program under Section 5316. While all JARC grants are subject to labor protections, the Elderly/Disabled Program and New Freedom only require such requirements "to the extent the Secretary determines appropriate." As a result of this language, transit labor protections do not currently apply to Sections 5310 and 5317.

JARC is by far the largest program of the three[64] to be consolidated under CMI, and it is therefore appropriate that the new initiative include labor protections. In fact, in 1974, when DOT first deemed that then-Section 13(c) should not apply to private non-profit grant recipients under the Elderly/Disabled program, its decision was based on the limited size of the program at the time and the limited role of private non-profits. This program and van service in general have grown substantially over the years, and with that trend expected to continue, such reasoning no longer makes sense.

ATU SUPPORTS:

1) Creating the *Coordinated Mobility Initiative* (CMI) program through the consolidation of the Elderly/Disabled, New Freedom, and Job Access and Reverse Commute Programs in an effort to improve transportation options for America's most needy citizens;

2) Requiring public transit systems to ensure that all relevant factors are taken into consideration before they contract-out paratransit services, requiring a cost analysis of the work to be done, which shall be used to assess whether it is more effective to use employees of a private business entity or to use existing employees; and

3) Requiring potential paratransit bidders to have a demonstrated ability of providing high quality paratransit services, which equal or exceed the quality of services which could be provided by public transit agencies.

[64] FY 2009 authorized funding levels: JARC – $164.5 million, Elderly/Disabled – $133.5 million, and New Freedom – $92.5 million.

PUTTING MORE SERVICE ON THE STREETS – IMMEDIATELY

There are a few noteworthy steps that can be taken by Congress which could dramatically increase the level of public transportation services throughout the U.S. within a short period of time. In an effort to provide the cash-strapped public with more affordable transit options, ATU recommends the following actions:

Classify Fuel as a Capital Expense

In addition to allowing a portion of funds to be used for operating assistance, (as authorized prior to TEA 21), Congress should consider **allowing fuel to be classified as a capital expense.** Congress needs to provide the resources necessary to keep transit systems operating at maximum capacity.

Encourage Fare Reductions, Expansion of Service

Other than allowing transit systems to use their FTA funds for fuel costs, the *Saving Energy Through Public Transportation Act* (discussed above) includes other provisions that are worthy of inclusion in the reauthorization bill. Without question, the innovative program created under the bill which encourages transit agencies to reduce fares and expand service would result in more travel options for Americans who are looking to reduce the pain at the pump. In addition, increasing the federal share for key energy saving programs within the FTA makes perfect sense at a time when state and local governments are struggling to raise sufficient matching revenues for surface transportation.

Encourage More State DOTs to Flex Funds From Highways to Transit

There is a huge potential source of revenue for transit services that unfortunately has gone largely untapped since it was first made available under ISTEA: flexible funds. For example, states have not fully taken advantage of the *Congestion Mitigation and Air Quality Improvement* (CMAQ) Program, which was designed to support transportation projects in air quality nonattainment areas.

In 2005, public transportation use in the U.S. directly prevented the emission of 6.9 million metric tons of carbon dioxide and 400,000 metric tons of other types of greenhouse gas emissions. These emission savings are from transit riders no longer driving and reduced congestion in urban areas as a result of transit.[65] Yet, in this era when global warming has been recognized as a threat to our planet's existence, it is remarkable how few states take advantage of flexible funding programs like CMAQ, which could dramatically reduce our carbon footprint.

In addition, we can make our air cleaner by purchasing more natural gas and hybrid buses. Currently, only about 12% of transit buses nationwide are powered by alternative fuels.[66]

Without question, more states are using this unique tool, as nearly $1 billion was "flexed" from highways to transit in FY 2007. However, a closer look reveals that more than half of the highway funds used for transit purposes are flexed in just four states.[67] In the majority of states, most recently Pennsylvania, flex funds are generally used only as a last resort to keep transit services going.

ATU recommends removing some of the potential factors in states' decisions not to even consider flexing

[65] *Public Transportation's Contribution to Greenhouse Gas Reduction.* Todd Davis and Monica Hale, for the Science Applications International Corporation, September 2007.

[66] 2003 Public Transportation Fact Book, APTA, page 48.

[67] California, Maryland, New Jersey and New York accounted for $461 million of the $923 million flexed from highways to transit in FY 2007. (FY 2007 State Summary Table of Flex Fund Availability and Obligations. FTA Website, Table 52).

highway funds for transit. For example, under the CMAQ Program, U.S. DOT policy allows funds to be used for operating costs for new transit service only, and for only a three-year period. This likely deters some states from considering CMAQ, as their transit systems may be reluctant to use funds for service that may have to eventually be discontinued due to local budget constraints. Changing these rules – by allowing CMAQ funds to be used for existing service for an unlimited period – makes sense. In addition, when CMAQ funds are used for operating assistance, non-federal share requirements still apply. In order to encourage the use of these funds for transit, these requirements should be waived.

Congestion Pricing Shows Promise

Congestion pricing, – also known as "value pricing," or "peak period pricing" – the process of charging motorists a toll for using a particular stretch of roadway or for entering a particular area, has the potential to revolutionize our transportation system. The concept has not been instituted in the U.S., but recent experiences in Europe and Asia have demonstrated that people will indeed change their travel habits, resulting in major expansions in public transportation usage.

The use of so called "cordon tolls" – charging a price for entering and driving in an impacted urban area[68] – and dedicating resources from such fees to transit, has worked well overseas. Since the inception of a cordon fee in London in 2003, traffic delays in the traffic zone have dropped 26%. Moreover, bus service has become dramatically faster and more reliable. The charge has resulted in substantial improvement in what was once the United Kingdom's most polluted air. And, the feared drop in business within the traffic zone never materialized. In fact, two-thirds of Londoners now approve of the congestion charge, and it is slated for expansion into west London. Congestion pricing plans have also succeeded in Stockholm and Singapore.[69]

U.S. DOT recently recognized the potential value of congestion pricing by offering approximately $500 million to New York City for the implementation of a congestion pricing plan. Unfortunately, the plan (which was rejected by the New York State Legislature) called for taking the federal funds out of the Section 5309 Bus and Bus Facilities Program, which has played a critical role in modernizing bus fleets for small and medium sized transit systems.

Congestion pricing is deserving of its own program within the FTA, separate from existing capital and formula programs. If properly implemented – by using funds derived through tolling for the massive investment and development of public transportation options – it has the potential to dramatically reduce traffic congestion and improve air quality in urban regions.

ATU SUPPORTS:

1) Allowing fuel to be classified as a capital expense;
2) Grant programs that encourage transit agencies to reduce fares and expand service;

[68] *"Congestion Pricing: What is it?"* Marika Benko and Lauren Smith, *Community Transportation Magazine*, Spring 2008, page 17.

[69] *International Congestion Pricing Examples*, published by *Transportation Alternatives*.

3) Removing hurdles which discourage states from flexing highway funds to transit; and

4) Implementing congestion pricing.

REGISTERING TRANSIT RIDERS TO VOTE

Congress enacted the *National Voter Registration Act of 1993*[70] (also known as the "Motor Voter Act") to enhance voting opportunities for every American. The Act has made it easier for all Americans to register to vote and to maintain their registration. The legislation requires states to provide individuals with the opportunity to register to vote at the same time that they apply for a driver's license or seek to renew a driver's license.

However, no federal law exists to make it easier for **non-drivers** to register to vote. As a result of this oversight, a large segment of our population – mostly people in cities with comprehensive public transportation networks – has not benefitted from this legislation.

Ironically, in areas that regularly place public transportation funding initiatives on the ballot, the measures are generally voted on by people who may not even ride transit, while the voices of many individuals with disabilities and other regular transit riders remain silent. The federal government should provide the same level of encouragement to register to vote to non-driving transit riders as it does to individuals who are applying for a license.

Implementation of this proposal would also serve to further leverage local investment in public transportation. People who are dependent upon transit are more likely to vote in favor of increased local investment to enhance their travel options. Voters have approved more than $115 billion for transportation since 2000.[71] By registering transit riders to vote in greater numbers, we can further increase the percentage of successful transit ballot measures that generate critical operating funds for transit systems nationwide.

ATU SUPPORTS:

1) Grants to non-profit organizations for the purpose of registering and mobilizing non-driving transit riders to vote and to educate all transit riders about transit election issues on a non-partisan basis.

ENHANCING THE SAFETY OF TRANSIT WORKERS AND PASSENGERS

During most of the 20th Century, bus passengers paid their fares with coins, and drivers had to make change if people did not have the exact fare. Any time that a worker is dealing with members of the public and money is involved, there is going to be the risk of conflict. As a result, many bus drivers were assaulted over petty fare disputes.

By the 1960's, as a result of a nationwide campaign by the ATU, most buses required exact fare as payment, and bus operators no longer made change. This had the

[70] 42 USC 1973gg.

[71] Center for Transportation Excellence.

effect of dramatically reducing the number of operator assaults. Today, of course, most transit agencies have implemented electronic fare collection, and that is certainly a positive development. With currency taken out of the equation, one would think that assaults would be a thing of the past.

for up to 20 years in prison for the offense of assaulting a transit operator.[72] Congress recognized that there are inherent dangers that are involved with the general public when a transit worker – especially a person who is operating a vehicle – is interfered with in the course of performing his or her duties.

Transit operator assault is becoming an epidemic in America. When transit workers are attacked in the course of performing their duties, the safety of every individual on board the vehicle is placed in immediate jeopardy. In addition, other cars, pedestrians, and bicyclists are put at risk when bus drivers are distracted for any reason. Congress needs to provide transit operators with the maximum level of protection.

Unfortunately, history is repeating itself. With overcrowding on buses, fare hikes, and traffic-snarling transit schedules, operators are facing an increasingly frustrated, unpredictable public. All across North America, operator assault is again on the rise. Crimes range from simple assault to brutal sexual offenses.

Due to the nature of their employment, which includes dealing with complaints, working alone, working late, and enforcing regulations, transit employees are vulnerable to horrific criminal acts. Bus drivers frequently travel in unsafe neighborhoods, dealing with people who sometimes do not want to pay fares and children who hurl rocks and snowballs at their vehicles. And they are confronting all of this while trying to safely steer their vehicles through traffic.

With transit worker assault becoming all too common in our industry throughout the country, ATU called on Congress in the late 1990s to provide for specific federal penalties in connection with this heinous crime. Shortly after September 11, 2001, Congress enacted the *USA Patriot Act*, which provided

While this federal statute without question sends a strong message to terrorists and others that transit workers need to be protected, the problem has been with enforcement of the law. Unfortunately, federal prosecutors have not been willing to press for the *USA Patriot Act* penalties in cases of bus driver assault due to budgetary concerns. In almost every incident, the case is handled by state and local law enforcement officials.

ATU has therefore stepped up its lobbying efforts at the state level in an effort to increase the penalties for assaulting a transit employee. More than 20 states have passed legislation providing for increased penalties for assaulting transit workers, and most jurisdictions have provided for felony provisions. Legislators have come to understand that when transit workers, especially those individuals who operate vehicles, are assaulted in the course of performing their duties, the safety of every individual on board the vehicle is placed in immediate jeopardy. With transit ridership at record levels, more innocent

[72] See 18 USC 1992.

people are placed in harms way each day. In addition, other cars, pedestrians, and bicyclists are put at risk when bus drivers are distracted for any reason, especially when they become the victim of an assault or battery.

In order to deter these senseless crimes, ATU calls on Congress to require transit systems to post notice of the enhanced federal penalties for operator assault on every vehicle in service. Currently, only Illinois and the District of Columbia have laws which require their transit systems to post signs regarding increased penalties. In addition, states should be encouraged to pass laws that increase the penalty for assaulting a transit worker in the line of duty.

ATU SUPPORTS:

1) Requiring all new buses purchased by transit systems to include notices that shall be prominently displayed in each vehicle used for the transportation of the public for hire which must state substantially the following: Any person who assaults, interferes with, disables, or incapacitates any public transit driver while the person is operating a transit vehicle is subject to imprisonment for up to 20 years;

2) Encouraging states to enact laws which increase penalties for the assault of a transit worker.

CONCLUSION

Before Congress makes decisions on new policies and revenue streams for the SAFETEA-LU reauthorization bill, it must first set its priorities.

Most importantly, what is the overall goal of our surface transportation program?

Do we want to remain stuck in endless traffic jams, polluting our air, and wasting billions of dollars on fuel that we purchase from Middle Eastern Nations that raise the price of oil at their pleasure?

Or, are we ready to provide Americans with new public transportation options that can help us to save our planet, reduce our dependence on foreign oil, and spend more time with our families?

Based on recent trends, ATU and its allies believe that Americans are ready to modify their travel habits and embrace transit like never before. Congress can help facilitate these overdue changes through the creation of bold, well funded, and innovative programs.

Without question, hard choices are going to have to be made along the way, and the cost will be enormous. However, the potential to improve our quality of life and preserve this world for the next generation should guide us through the substantial challenges that lie ahead.

PREPARED STATEMENT OF ERIC J. BROWN

ASSOCIATE COUNSEL,
CONNECTICUT BUSINESS AND INDUSTRY ASSOCIATION

APRIL 16, 2009

Mr. Chairman and Members of the Committee, my name is Eric Brown. I serve as associate counsel for the Connecticut Business and Industry Association (CBIA). CBIA represents the interests of approximately 10,000 small, medium, and large-sized businesses throughout Connecticut. Approximately 90 percent of our members have fewer than 50 employees.

CBIA and its member companies have long recognized the importance of a safe and efficient transportation system and we have worked with State officials and the legislature over many years to achieve that goal. However, it was in 1999 that our organization significantly elevated the priority of transportation following a meeting of our board of directors with Michael Gallis who had just finished an intensive study of Connecticut's transportation challenges and the economic peril our State faced as a result of those challenges. The report, prepared for the Connecticut Regional Institute for the 21st Century, concluded dire economic consequences for our State if actions were not taken to address traffic congestion and to more seamlessly integrate our transportation system with regional, national, and international corridors of commerce.

Over the next several years, CBIA worked with the legislature and the Governor to intensify the focus on identifying, prioritizing, funding, and implementing policies and projects to improve our transportation system.

In 2000, the legislature created the Transportation Strategy Board as an instrument to insert more strategic economic thinking into our State's transportation planning. In subsequent years, the legislature and the Governor allocated and approved several hundreds of millions of dollars for transportation investments.

These were important and helpful measures that have begun to move Connecticut in a better direction. However, significant challenges remain.

In the mid-2000s, the failed I-84 construction project along the Waterbury–Cheshire corridor brought a higher degree of public scrutiny upon the operations of Connecticut's Department of Transportation (CT DOT).

In 2007, Governor Rell created a special commission to look broadly at the operations of the CT DOT and make recommendations for improving the efficiency and effectiveness of the agency. The commission produced an outstanding report that, among other things, looked at what measures other State transportation departments had taken to improve their operations. The commission's report was presented to the legislature in February of 2008 and provides an excellent blueprint for going forward.

One of the major recommendations of the report was to "make intermodal travel a high strategic priority."

The importance of that recommendation is supported by data from the latest report of key mobility measures from the Texas Transportation Institute's 2007 Urban Mobility Report—perhaps the Nation's most comprehensive comparative report regularly published on traffic congestion nationwide.

According to the report, road travelers (not just those travelling at peak hours) in the Bridgeport–Stamford areas averaged 31 hours of delay each year and that number is increasing at a "much faster rate" than similar metropolitan areas around the country.

In the Hartford and New Haven areas, the number drops to 19 hours of delay each year with "much slower growth" than other similar areas.

Costs associated with these delays are obviously substantial. The report estimates a $78 billion annual drain on the national economy. Connecticut undoubtedly contributes hundreds of millions of dollars each year to that figure.

The causes for congestion and its adverse impacts on the economy and environment are multiple and can vary in different locations. Similarly, there is no one "silver bullet" to solve congestion problems. Unquestionably, improving mass transit is one piece of the solution and Connecticut is clearly moving forward in that area. Obviously, as with most other strategies for reducing congestion, there are significant costs associated with large-scale transit initiatives. In addition to infrastructure and other capitol costs, substantial State subsidies will likely be needed to support these projects once completed.

CBIA supports expanding mass transit where it makes the most sense to do so. Individual corridors and options must be carefully studied from a cost-benefit perspective to ensure limited but substantial transportation dollars go to those projects that provide the greatest economic and social benefits.

Additionally, we can not become so focused on transit that we short shrift our highway and bridge needs. In a recent statewide survey of Connecticut businesses, about 70 percent of the respondents said that the most positive impact State transportation officials could have on helping their businesses would be improving the condition of existing roads, highways, and bridges or expanding highway and road capacity. Expanding mass transit options garnered 13 percent.

Going forward, Connecticut needs to closely examine the degree to which State funding will be needed to accomplish the goal of creating and maintaining a first-class, integrated, multimodal transportation system in Connecticut, and we will have to make tough decisions about the sources of that funding. We need to do a better job of refocusing our transportation planning from an interstate regional perspective and more appropriately balance those priorities with project lists created by multiple regional bodies within Connecticut that are appropriately but more narrowly focused on their local transportation needs. We need to rebuild the trust of our citizens that money raised for transportation projects will be spent on transportation projects and that those projects will be of the highest priority and will be implemented in an efficient and cost-effective manner.

Under the outstanding leadership of CT DOT commissioner Joseph Marie working with the Governor, the General Assembly, our Congressional delegation, and a variety of regional and national transportation entities, Connecticut is moving in the right direction and we are optimistic that the State can one day be the envy of most or even all other States with respect to our transportation system. We look forward to working with them and the many other transportation stakeholders to help realize that vision.

Thank you very much for this opportunity to provide testimony to the Committee.

PREPARED STATEMENT OF DAVID KOORIS

CONNECTICUT DIRECTOR,
REGIONAL PLAN ASSOCIATION

APRIL 16, 2009

May name is David Kooris and I am the Connecticut Director of Regional Plan Association, the Nation's oldest regional planning organization. For over 80 years RPA has identified regional strategies to address challenges and opportunities that do not respect political borders.

This statement highlights the importance of prioritizing the strategic investments that position our national, local, and personal economies for the next age of prosperity.

Even the current levels of stimulus spending are dwarfed by the mounting lists of potential capital projects in every community across the Nation. In this period of economic peril, with daunting environmental challenges looming on the horizon, we cannot afford to bet our future wealth on investments that do not create communities of value for the future while meeting the needs of today. A sustainable investment strategy would improve Connecticut's access to global gateways, solidify its regional centers, connect neighborhoods, coordinate housing and transportation, and engage the public constructively in the decision making process.

Transportation emissions make up 40 percent of the State's greenhouse gas emissions that contribute to global warming. Congestion around our job centers imposes a blunt tax on doing business and living in our State. About a third of our bridges are structurally deficient. Stamford's is the highest priced rental market in the country, while pockets of extreme poverty and segregation in our urban areas will significantly impact our workforce competitiveness in decades to come. Targeted enhancements to Connecticut's mobility system, in coordination with a coherent housing and neighborhood policy, would work to mitigate the impacts of this perfect storm of challenges looming on Connecticut's horizon.

For too long, infrastructure decisions have emphasized one objective—safe and fast automobile access—at cost to all others. We can no longer afford to make investments with such limited impact and return.

Connecticut has a phenomenal legacy of compact walkable town centers—each with its own unique character—linked by one of the most robust transit networks on the continent. For the past 50 years we have neglected these assets while energy was cheap and climate change a topic of science fiction. But global warming has begun and volatile energy prices will decimate those communities whose development patterns and mobility systems depend on the private automobile. Our State faces these challenges with a leg up on the competition. Will we identify the key investments which build on our inherent advantages in the age of carbon constraint, or will we squander our limited resources?

Connecticut has been called an economic cul-de-sac because we lack international airports or freight terminals. While our corporate headquarters and world class universities act as global gateways for information and talent, we are physically disconnected from the major ports and airports in greater New York and Boston. Our coastal communities tie into the Northeast Corridor, but the Capitol region is offset from this economic spine; Springfield–Hartford–New Haven–New York rail enhancements would attach Hartford at the hip to the region's economic core and provide intercity connectivity at less than half the carbon emissions per passenger mile compared to automobiles while creating hundreds of permanent jobs.

At the intersections between the global economy and our State—in places like Hartford, Stamford, and New Haven—regional centers act as hubs for local transit networks and are centers of innovation which drive the economies of communities in their immediate vicinity. Our centers have concentrated employment, education, entertainment, and a mixture of housing options necessary for our parents to age in place and our children to return home and raise families of their own. Occurring at nexuses in the existing mobility network, these regional centers contain infrastructure representing generations of investment and embodied energy. Present efforts can be most effective by leveraging these resources to build up the sustainable communities of the future. Investment in these regional centers will ensure a high economic and social return, not just for our cities but for the overall.

Radiating out from these centers must be a network of complete streets, better utilizing existing and new public corridors by balancing pedestrian, bike, and transit infrastructure alongside lanes for automobiles. Busways and express buses link regional centers to other downtowns while bike lanes and sidewalks permeate the economic vitality and vibrancy of these nodes of activity into the surrounding neighborhoods. Our research has demonstrated the pronounced impact that transit access has on property values within a half mile of commuter rail; innovative strategies are necessary to filter this value into the surrounding neighborhoods. With priority placed on those routes which link existing activity centers to one another and to neighborhoods in need of sustainable access to jobs, a mobility field will be created incrementally which strings together the communities of the State with greener and more efficient transportation.

However, we will probably not have the resources necessary to bring a bus or sidewalk to every far-flung outpost of our current settlement patterns, so we must ensure that new housing, offices, and shops are located within reach of the mobility field we are now beginning to create. While a generation of investment has brought road access to nearly every corner of the State, dependence on the automobile has also wreaked havoc on personal economies exacerbated by energy price fluctuations. With the highest priced rental market in the Nation and low affordability statewide, lowering households' transportation and energy costs is as important as providing affordable housing. An "affordable" house in an automobile dependent neighborhood did little good for a family last summer when the need to use a car for every trip all but obliterated any savings on monthly rent. Development that is oriented towards our regional centers, towards our transit system, and toward our sidewalks and neighborhood parks is a necessary step towards providing affordable and quality housing for all residents of this State.

The investments and policy changes necessary to achieve sustainable communities cannot rest with the decisions of insiders alone, but must be the product of an open and robust dialogue that engages all the members of the Connecticut community. As RPA has demonstrated around the tri-state region, involving people early, often, and honestly to collaboratively formulate a blueprint for the State's future will result in investment decisions and policies that reinforce existing communities, reduce future energy demand and carbon emissions, and capitalize on the social fabric that intimately knows the assets and opportunities in each neighborhood.

Through coordinated planning for land use and transportation we can achieve growth without increased emissions, encourage economic development without sacrificing neighborhood character, enhance mobility without dividing communities, enable revitalization without gentrification, and move towards the Connecticut of the future, based on the foundations of the past, and without sacrificing the Connecticut of today.

Thank you for the opportunity to submit this testimony.