

TESTIMONY OF

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ON BEHALF OF

THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

REGARDING

SUSTAINABLE TRANSPORTATION SOLUTIONS: INVESTING IN TRANSIT TO MEET 21ST CENTURY CHALLENGES

BEFORE THE

COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS
UNITED STATES SENATE

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Mr. Chairman and Members of the Committee, my name is Joe Marie. I am Commissioner of the Connecticut Department of Transportation. I am here today to testify on behalf of the American Association of State Highway and Transportation Officials (AASHTO) which represents the departments of transportation in the fifty states and the District of Columbia and Puerto Rico. I am currently the Chairman of AASHTO's Standing Committee on Public Transportation. We want to thank you for convening this hearing to discuss the role of public transportation in meeting our nation's 21st century transportation mobility, energy and environmental challenges.

Today, I would like to cover three points –

- The commitment of State transportation agencies to ensuring they provide their customers an efficient, effective multimodal integrated transportation system for mobility and access and to support a competitive economy
- The long term capital needs of both urban and rural transportation systems across the country; and
- AASHTO's recommendations for a next generation, multi-year surface transportation bill.

Commitment to public transportation. Public transportation provides basic mobility options for millions of Americans on a daily basis and is a critical link for the elderly, individuals with disabilities and low-income individuals to jobs, doctor's offices, grocery stores and other daily routine trips. In addition, transit plays a significant role in state and national efforts to reduce traffic congestion, conserve fuel, improve air quality, reduce green house gas emissions and support emergency preparedness.

Travel on the U.S. highway system has increased five-fold over the past 50 years from 600 billion vehicles miles traveled (VMT) in 1956 to 3 trillion VMT in 2006. The amount of highway mileage built during that period was substantial, but the increase in travel has been so great that most of the capacity and redundancy planned when the system was built has been used up. Even if the current rate of VMT growth could be cut by 50 percent over time, at a minimum, VMT by 2055 will have grown to 4.5 trillion. To support the growth that has taken place and the growth expected, additional highway, transit, commuter, and intercity passenger and freight rail capacity will all be needed.

To meet the growing need for public transportation, two things need to happen. Where transit service is already available, it will need to be expanded. Where it is not yet available, it will need to be provided. Forecasts show that the U.S. population will grow from 300 million to 435 million by 2055. Over 80 percent of that growth is expected to take place in our metropolitan areas.

Over 10.3 billion passenger trips were provided by the nation's public transportation systems in 2007 and in some of the nation's largest cities, public transportation carries from 12.2 percent to over 53 percent of all work trips originating in central cities and is an essential link between these Central Business Districts (CBD's) and the rest of the region. With the United States

projected to experience significant population and employment growth in coming decades, with the aging of the population and the efforts of the population to "age in place" as well as continued issues of greenhouse gases and energy supplies and prices, the demand for public transportation services is projected to continue to increase.

Public transportation services are available in 450 of the urbanized areas in the United States. In every state, public transportation provides service to rural residents, elderly individuals and physically challenged individuals with disabilities. Recently there has been a dramatic increase in the demand for paratransit services in rural areas. A substantial investment must be made in rural transit and intermodal connectivity as well as in urban areas.

For example, in rural Grant County, New Mexico the system handled 19,000 passengers in 2001. Last year, it carried 38,000 and it is on track for over 50,000 riders this year. Corre Caminos Transit, which operates the system throughout sprawling Grant County, serves a large elderly and disabled population which would have no means of travel to doctor's appointments, the grocery store or other essential errands without the buses served by the transit system.

Likewise, the state of Nebraska has a growing rural population and has an increasingly large number of persons 65 years or older which is outpacing national trends. The challenge for rural transit is to be able to provide the transportation needed to allow elderly residents to remain in their homes. Without these services, many older residents would have to leave their homes and become residents of assisted living facilities and nursing homes. To solve this issue, one of the programs implemented by the Nebraska Department of Transportation is a "twenty-four-seven" rural transit service so individuals can get early morning dialysis and other necessary medical treatments.

In Randolph County, West Virginia, County Roads Transit transports a senior three times a week to a part time job. This disabled individual is supplied with wheelchair accessible vehicles through County Roads Transit and is able to continue to work and remain in her home because of the transit service. Also in West Virginia, a 72-year old woman moved to rural Wayne County to be closer to her daughter. This woman receives daily transportation from the Wayne X-Press service which provides access to the grocery store, doctor's visits, nutrition sites and social activities without adding stress to nearby relatives. Both of these individuals lead fulfilling, independent lives in their local hometowns which would not be possible without the aide of rural public transit.

At home in Connecticut, I oversee one of the very unique state departments of transportation in the nation. Connecticut Department Of Transportation owns and operates not only a highway system, but also owns and operates two commuter railroads, the New Haven Line and Shore Line East services which carry over thirty-four million passengers a year. The state-wide bus services, includes twenty-one bus operations, which carry over thirty-five million passengers per year. The state also owns and operates six public airports including Bradley International Airport – New England's second largest airport, two ferry services and one deep seaport. In addition, the state participates in subsidizing several bus transit district operations, dial-a-ride services, job access mobility services and other transportation demand services. Connecticut DOT operates a truly intermodal transportation agency.

In Connecticut, Governor M. Jodi Rell has spear-headed the largest public transportation investment in the State's history. Why? Ridership on our commuter rail lines is exploding, up more than 11% from last year. We are talking about ridership on the lines that parallel the congested I-95 corridor, so vital to the economic vitality of the Northeast and, indeed, our nation. Double digit ridership increases have been posted on our entire commuter rail network. The very successful New Haven Line commuter rail service operates from New Haven, Connecticut west along our shore through New York and into Grand Central Terminal. Connecticut is proud of its partnership with Metro-North Commuter Railroad which runs this service for our State. This commuter rail service operates along 47 miles of the New Haven Line, part of the Northeast Corridor which is owned and maintained by the State of Connecticut. This is the largest non-Amtrak owned section of the Northeast Corridor. We plan to extend and expand operations on our Shore Line East routes and improve connectivity and seamlessness between our rail lines and bus system where ridership has also been growing steadily since 2004.

Together with our friends in Massachusetts, we are hoping to bring first class rail service to the Connecticut River Valley between Springfield, Massachusetts and New Haven, Connecticut. We have an ongoing dialogue with Amtrak and are optimistic that we can form a partnership to obtain the necessary investment to bring this key intercity rail project to reality. The cities and towns served by this corridor are already planning the developments and initiatives that this transformative project will bring to their downtowns and main streets. This project will also provide mobility connection to Bradley International Airport. Federal investment into intercity passenger rail is essential to improving mobility around the nation and reducing vehicle miles traveled and carbon dioxide emissions. If we are to reduce our dependence on foreign oil and reduce congestion in our nation, we must make a greater commitment to public transportation.

Public transportation capital needs. Transit ridership saw a significant increase in ridership in 2008 due largely to soaring gasoline prices and a weakened economy. According to the latest figures from the American Public Transportation Association during this period, there was a 4.0 percent increase in the number of transit trips over 2007. According to the U.S. Department of Transportation, during the same period, highway vehicle miles traveled (VMT) declined from 3 trillion in 2006 to 2.9 trillion in late 2008. Even though it is expected that highway travel growth will once again increase when the economy improves, a shift to alternative modes, including transit, commuter and intercity passenger rail should be encouraged. This will require substantial investment in these modes to ensure sufficient capacity and a state of good repair.

According to the AASHTO's 2009 Bottom Line Report, an average annual capital investment of \$60 billion (in 2006 dollars) for public transportation is necessary to expand and modernize transit assets in order to accommodate a 3.5% percent annual growth in ridership. This is the ridership growth rate necessary in order to double transit ridership over the next twenty years. Rural public transportation systems are a small but essential component of the nation's transit systems, and while their capital needs may be less by comparison to urban capital needs, substantial investment increases in rural transit to meet capital and operating needs are essential.

Any federal – state capital financing program established for the infrastructure needs along the Northeast Corridor can only be implemented after the Amtrak owned portions of the Northeast Corridor have been brought up to a state of good repair. Frequently mentioned is an 80-20 program, similar to the federal highway program where the Federal government would provide 80 percent of the financing of capital improvements and the state would provide 20 percent. Should such a program be implemented, the program must be eligible for all infrastructure improvements along a corridor, regardless of ownership.

The opportunities for passenger rail expansion throughout this country are at a critical crossroad. Federal operating subsidies to Amtrak and cooperation between urban transit agencies using federal funding have long been the custom for funding intercity and commuter rail passenger service. Transportation capital improvements are frequently based upon the successful federal-state partnership models already in place for highways, transit and air modes. The difficulty in this amongst other factors, however, lies in the fact that these other successful models each have continuous revenue streams dedicated to that mode, while rail passenger service does not.

Many states already provide significant financial support for passenger rail service such as:

- Regional coalitions of states banding together to provide rail service connecting their major metropolitan areas,
- States providing funds to Amtrak for increased intercity rail service,
- States participating in the funding of improvements to the freight rail infrastructure over which intercity routes operate, and
- States providing operationally safe and upgraded state owned rail facilities for Amtrak to operate over.

Connecticut continually has upgraded and improved its New Haven Line, over which Amtrak operates, to a tune of over \$120 million annually. Amtrak has partnered and participated in the incremental cost associated with their needs for Amtrak high speed rail operations.

AASHTO surface transportation policies addressing public transportation. The AASHTO Board of Directors has agreed to pursue policies and program investments that will lead to a doubling of transit ridership by 2030. To meet the growing need for public transportation and to reach the goal of doubling ridership, two things must occur: Where transit service is already available, it needs to be expanded. Where it is not yet available, it will need to be provided. AASHTO also has a commitment on behalf of the State DOTs to provide transit as one of many options in a multi-modal system.

Specifically, AASHTO recommends the following:

- Congress should increase funding for the transit program to \$93 billion over the six-year authorization period. This increase will restore the purchasing power to 85% of the pre-1993 levels. The increase in funding should more than double rural transit funding.
- Operating assistance eligibility should be extended to transit systems in urbanized areas of more than 200,000 in population which operate less than 100 buses during peak operation.

- Maintain a separate Mass Transit Account (MTA) within the Highway Trust Fund with current program funding guarantees and preserve, at a minimum, the current 20 percent general fund contribution necessary to support a strong federal transit program.
- Preserve the existing transferability between the Highway and Mass Transit Accounts as well as the current 80 percent federal share for transit formula and capital investment programs are also critical for inclusion in the surface transportation authorization legislation.
- Streamline the grant approval process to speed project delivery and reduce the cost of routine projects. Replacement of buses, rolling stock, facility components and other routine transit related equipment should automatically be eligible for funding and not required to go through the grant approval process. An accounting of these expenses could be done through the regular reporting requirements.
- Streamline the number of programs and pools of funding in order to decrease paperwork and the time necessary to complete the grant approval process. For example, we propose including all eligible activities for the Job Access and Reverse Commute grants as part of the Urbanized and Non-Urbanized Area Formula Programs. We also propose allowing all eligible activities for the New Freedom program to be included in the Elderly and Individuals with Disabilities program.
- AASHTO believes that climate change and transportation should be addressed in the upcoming authorization legislation. One such way to address this issue is to double transit ridership by 2030. Intercity passenger rail and transit provide an alternative to automobile travel and can help reduce greenhouse gas emissions. Although they serve a small share of travel in the United States (approximately 1% of all passenger trips), we believe increasing transit can contribute to reducing greenhouse gas emissions.
- We also fully supported efforts that were included in the American Recovery and Reinvestment Act to equalize the employer provided pre-tax qualified transportation fringe benefits for both public transportation and parking. We would encourage renewing this provision as it is set to expire at the end of 2010.

Public Transportation usage is growing and with an aging population will continue to be an important component of mobility options for millions of Americans.

Before closing my comments this morning, I would be remiss if I failed to mention our appreciation for the recently enacted American Recovery and Reinvestment Act. You have thrown us an important lifeline during a turbulent time. A month ago, Commissioners and Secretaries of DOTs from around the country met with U.S. Department of Transportation Secretary Ray LaHood and promised to put the money which you entrusted to us to good use . . . and swiftly. We will and we thank you.

I want to inform you that I took Amtrak's Acela to Washington to be with you here today. Like the four other trips that I have taken on the Acela to Washington in recent months, I spent the time gazing out the windows at the cities and towns that we serve. The economic growth which has taken place around our core stations like New Haven and Stamford, while impressive, is not fully realized. As I mentioned earlier, we have made gains, but we can and must do more.

In the months ahead, you will be confronted with important decisions related to the authorization of a new surface transportation bill. You will hear from many about how much is needed and why. I will leave you with something which I believe you already know: Preserving, renewing and reinvesting in our nation's transportation infrastructure is absolutely and inextricably linked to the economic well being of our nation.

Investing in transportation has a good return on investment, will create jobs and stimulate the economy. It also results in an unusual dichotomy: improving connectivity exposes us to a larger world while at the same time making it all the more intimate. With improved mobility, we come to realize that we have much in common and that there is more that binds us than keeps us apart.

I thank you for giving me this opportunity to highlight some of the important aspects as they relate to State transportation agencies and to present our proposals for the future of public transportation as you begin the process of crafting surface transportation legislation to meet today's transportation mobility, economic, energy and environmental challenges. I will be happy to answer any questions you may have.