



STATEMENT OF SCOTT BOGREN

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

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Mr. Chairman, Ranking Member Brown and Members of the Committee:

My name is Scott Bogren and I have been the Executive Director of the Community Transportation Association of America, better known as CTAA, for four years. I have been with CTAA for a total of 31 years, working in communications, membership and policy development.

As the Executive Director of a national membership organization representing more than 1,400 rural, small-urban, specialized, non-emergency medical transportation (NEMT) and tribal transit systems across the country, it is with great appreciation and honor to be selected to appear before you today regarding the state of community and public transportation and the reauthorization of surface transportation legislation.

CTAA believes that a robust, predictable and sustainable reauthorization of the FAST Act is the top transportation legislative and policy priority for Congress and the Administration. This reauthorization is an opportunity to pivot the nation's surface transportation policy in a new direction that is inclusive of emerging technologies, changing public demand and much-needed new transportation investment streams.

In brief, CTAA has four top priorities for this reauthorization legislation:

- stable, predictable investment emanating from the traditional federal-state-local partnership that has built the current transportation network;
- investment programs that take into account new metrics of success like cost savings/avoidance in the health care industry, land values, and/or emissions reductions;

- right-sized regulations for small city, rural, tribal and specialized transportation systems that maintain accessibility, safety and quality while providing these smaller systems with the room to innovate and grow; and
- increased dedicated bus and bus facilities investment, to support the needs of systems to replace aging vehicle fleets.

We understand that the major challenge for passage of the past three surface transportation reauthorization bills has been the lack of Congressional and Administration support to increase revenues in the Highway Trust Fund. We believe that the wisest path forward is to raise the federal gas tax in a responsible, incremental way in this reauthorization, while also beginning the transition to more sustainable funding mechanisms like vehicle miles traveled (VMT) concepts.

VMT concepts — in either pilot or initial phases — must be launched in FAST Act reauthorization to take into account electric vehicle usage. These concepts must not disproportionately impact rural parts of the nation where residents must travel further to access work, education, health care and other vital activities. Additionally, any concept that reduces the federal role in transit investment, or that promises to move transit programs out of the trust fund is damaging to the transit industry and to the communities and passengers who rely on these services.

Outside of investment needed for the Highway Trust Fund, CTAA sees the need for increased, reliable funding for key transit formula programs (Sections 5307, 5310, 5311 and 5339), which are funded out of the Highway Trust Fund's Mass Transit Account.

Rural and Tribal Transit Programs

Rural and tribal transit programs (generally funded through Section 5311) are a diverse and essential part of the nation's transit network, connecting workers with jobs, assuring mobility for older adults and individuals with disabilities, linking people with necessary health care, providing mobility for low-income and middle-class families alike, and more. Because America's communities with populations under 50,000 are so diverse, rural and tribal transit systems are a showcase of transportation innovation, partnership and creativity.

Specifically, CTAA's rural and tribal transit members would like to see the following in reauthorization:

- predictable growth throughout the reauthorization in the Section 5311 program;
- allowing an increased federal share for Section 5311 rural and tribal projects in areas of economic distress, unusually high concentrations of transit dependency, or shortages of locally available health care;

- making permanent the current deferral of Section 5311-funded transit agencies from FTA's bus safety regulations;
- growing the tribal transit formula and competitive funding programs, with incremental growth throughout the period of the reauthorization;
- assuring sustained, incrementally increasing federal support for planning and launching tribal and rural transit services in currently unserved areas;
- allowing all recipients of FTA operating assistance, including rural and tribal transit providers, to claim the value of volunteer drivers as in-kind match for their FTA funds;
- authorizing FTA rural and tribal transit providers to reimburse their volunteers' expenses at the IRS business mileage rate without incurring a tax liability for the volunteer;
- including CNG, propane and other low and no-emission vehicle technologies into the Section 5339 competitive Low/No grant program, and not just battery electric vehicles; and
- targeting new/pilot projects that address emerging applied technology in rural, small-urban and tribal regions.

Small-Urban Transit Programs

Small-urban transit providers typically serve their communities with fixed-route operations and many of our members provide highly productive transit services in college towns. CTAA's small-urban members are also exploring new on-demand service modes, bus rapid transit and autonomous shuttles.

Specifically, CTAA's small-urban transit members would like to see the following in reauthorization:

- predictable growth throughout the reauthorization in the Section 5307 program;
- increasing the Section 5307 set-aside in the Small Transit Intensive Cities (STIC) program to 3 percent. This initiative has support in the Senate; shown with the introduction of S.2663 by Senators Sinema and McSally;
- full funding of the Capital Investment Grant program to assure Small Starts investment is available for small-urban bus rapid transit projects;
- including CNG, propane and other low and no-emission vehicle technologies into the Section 5339 competitive Low/No program, and not just battery electric buses;

- right-sized and risk-based regulatory reform to include: the potential of less involved, more productive oversight reviews, common sense application of DBE/ MBE target setting, NTD and safety planning streamlining;
- targeting new/pilot projects addressing emerging applied technology in small cities; and
- providing streamlined - or waived, where allowable - reporting, procedural and administrative requirements for Section 5307 recipients operating 10 or fewer vehicles in maximum service.

Specialized Transit Programs for Older Adults and People with Disabilities

Nearly one in five of all CTAA operating members rely on funding from FTA's Section 5310 program to provide valuable transportation services for older adults and individuals with disabilities who aren't being served by more conventional public transit and paratransit programs. Section 5310 helps fund the acquisition of buses and vans and other capital assets that help make transportation more accessible to these populations, helps support mobility management and travel training programs, and expands the reach of transit to these priority populations beyond the geographic scope of other public transit services.

To be most responsive to the public transportation-related mobility needs of older adults and individuals with disabilities in the 21st century, CTAA and its members would like to see the following from FAST Act reauthorization:

- continuing to provide predictable, sustainable, and steadily increasing growth in FTA Section 5310 funding;
- setting the federal share for Section 5310 projects at the same rates as comparable Section 5311 (rural) and 5307 (urban) transit grants, including increased federal share of grants that match the sliding scale rate in states with high amounts of federal lands, along with any other adjustments or flexibility that is available in the federal share of Section 5311 or 5307 projects;
- removing the 55 percent rule that has limited the ability of states and urban recipients to use their local coordinated planning processes when deciding whether to fund Section 5310 capital projects, accessibility enhancements, mobility management, or other eligible activities, based on local needs and priorities;
- continuing to allow Section 5310 funds to be used for either capital assistance or operating assistance, as per the project priorities locally identified in recipients' coordinated planning processes;

- having rural Section 5310 projects comply with FTA's statutes and policies for its Section 5311 rural transit grants, rather than the terms and conditions of FTA Section 5307 urban transit grants;
- continuing to exempt those transportation entities for whom Section 5310 is their sole source of FTA assistance from FTA's urban public transit safety rules, its national transit asset management system, reporting to the National Transit Database, and from the scope of FTA's charter service regulations;
- permanently excluding standard production vans, minivans and sedans from Buy America requirements;
- allowing all recipients of FTA operating assistance, including Section 5310-funded transit providers, to claim the value of volunteer drivers as in-kind match for their FTA funds; and
- authorizing FTA Section 5310-funded transit providers to reimburse their volunteers' expenses at the IRS business mileage rate without incurring a tax liability for the volunteer.

Dedicated Bus and Bus Facility Capital

Dedicated investment for bus and bus facilities is a top priority for CTAA members. The passage of 2012's MAP-21 surface transportation reauthorization dramatically cut dedicated bus and bus facilities investment. Ever since, CTAA and its members have been working to provide members access to the investment they need to recapitalize their operations.

Here are CTAA members' recommendations for surface transportation reauthorization regarding dedicated bus and bus facilities investment:

- recent federal appropriations have raised dedicated bus and bus facilities capital (Section 5339) above authorized levels, acknowledging the dire need for additional investment — these figures should constitute the new floor for FAST Act reauthorization levels;
- increasing the state set aside in Section 5339 to \$5 million per year, per state;
- including CNG, propane and other low and no-emission vehicles into the Section 5339 competitive Low/No grant program, and not just battery electric vehicles;
- raising the end-of-life fair market value of transit buses and vehicles to a fixed percentage of their purchase price;

- providing incentives for both vehicle manufacturers and operators to be able to procure the full suite of safety technology currently available in private automobiles (warning sensors, automated braking, etc.); and
- permanently excluding standard production vans, minivans and sedans from Buy America requirements.

Regulatory Reform

CTAA's members understand that transit safety, equity, and proper stewardship of public dollars and transit assets require rules and requirements. Out of our commitment to do what is right for transit users, transit providers, and the compelling federal interest, CTAA and its members have identified the following improvements in FAST Act reauthorization that will help promote a properly managed, safe and equitable public transit program:

- harmonizing regulatory, funding, NTD reporting and other requirements to better fit the ever-increasing situations when transit agencies receive funding from two or more FTA programs, such as when they receive both Section 5307 and 5311 funding;
- making permanent the current deferral of Section 5311-funded transit agencies from FTA's urban bus safety regulations, and making sure these rules are not applied to Section 5310 subrecipients;
- applying a risk-based approach to FTA's triennial reviews of its urban grantees, so that low-risk grantees need only to receive a desk review, and thus allowing FTA to focus its oversight mechanisms where they're needed to help address challenges experienced by higher-risk grantees;
- arranging the schedules and scopes of triennial and state management reviews so that recipients of both Section 5307 and state-managed grants don't receive conflicting results from these reviews, and so that these grantees don't experience a state management review and a triennial review at the same time;
- fine-tuning the applicability of FTA's charter service regulations to Section 5310 and 5311 recipients, including clarity that rural and tribal demand-response public transit is not restricted under FTA's charter service regulations, and that other activities that programmatically are part of a public transit operation are not proscribed under these rules;
- making it easier for rural and tribal transit providers to include transportation services for elementary and secondary students as part of an open-door public transit program;
- permanently excluding standard production vans, minivans and sedans from Buy America requirements;

- having rural Section 5310 projects comply with FTA's statutes and policies for its Section 5311 rural transit grants, instead of subjecting these rural subrecipients to the terms and conditions of FTA urban transit grants;
- continuing to exempt those transportation entities for whom Section 5310 is their sole source of FTA assistance from FTA's national transit asset management system, reporting to the National Transit Database, and from the scope of FTA's charter service regulations;
- allowing all recipients of FTA operating assistance, including rural and tribal transit providers, to claim the value of volunteer drivers as in-kind match for their FTA funds;
- authorizing FTA rural and tribal transit providers to reimburse their volunteers' expenses at the IRS business mileage rate without incurring a tax liability for the volunteer;
- establishing a new tier for FTA transit providers, *Tier 3*, that operate 10 or fewer vehicles in peak service, to included reduced regulatory burden included with staff and budget size;
- providing streamlined - or waived, where allowable - reporting, procedural and administrative requirements for Section 5307 recipients operating 10 or fewer vehicles in maximum service;
- allowing CMAQ-assisted transit projects in rural (and urban) areas to continue for as long as those areas remain in Clean Air Act non-attainment status; and
- streamlining of regulatory, funding, NTD reporting and other requirements that impede coordination of Section 5307 and 5311 funding within transit agencies.

Innovative Transit Programs and Projects

The confluence of real-time scheduling technologies, smart phones, advanced fare payment systems, autonomous vehicles and radically changing customer expectations has created a dynamic environment for CTAA members, rife with equal parts opportunity and challenge. FAST Act reauthorization is the ideal time to address this emerging new mobility environment and provide the resources, regulations and support to help CTAA members, their communities and their passengers. Here's how this can best be accomplished:

- continuing FTA sandbox program investment where new service, technology and data concepts can be tried and tested;
- providing investment and incentives for transit system service redesign concepts focused on improving ridership and on outcome-based metrics like health care and employment;

- developing pilot autonomous vehicles program funding and investment for smaller transit agencies to cost effectively explore these options;
- targeting new/pilot projects addressing emerging applied technology in rural communities, tribal areas and small cities; and
- assisting smaller transit agencies with both partnership and deployment opportunities of ride-hailing service models.

Transit: Efficiently and Cost-Effectively Moving People

The reauthorization of the FAST Act is a prime opportunity for Congress to make the nation's surface transportation system more responsive to the American people. It's one thing to discuss issues of policy, investment and regulation today – and in many ways, that's what we're all here to do. However, we shouldn't forget that public and community transportation is a people business. The trips CTAA members provide everyday all across the country are often a life line. Here's an example one of our members shared with us recently.

This past fall in rural Petersburg, W.Va., a passenger began to weep after having been safely boarded onto a Potomac Valley Transit Authority (PVTA) vehicle. After composing herself, she told her driver that she had been confined to her house for years only able to go to medical appointments. PVTA's new *Ready Ride* On-Demand service allowed her to go independently to the store, hair appointments, the bank – anywhere she wanted to go. As the driver began the trip, she cried again. It was fall, and she realized how much she missed seeing the colors of leaves in the hills of eastern West Virginia.

It is these kinds of trips that make CTAA members unique. Reauthorization is an important opportunity to better support these community and public transportation providers; providers who are selflessly serving their communities, keeping our growing populations active and connecting Americans with critical services.

It is our pleasure and honor to share this testimony with the members of the Senate Banking Committee. We look forward to working with the Committee to shape the best possible reauthorization of the federal transit program. Please feel free to use me as a personal resource during this process. I can be contacted at bogren@ctaa.org or 202-247-1921. Thank you.