

Testimony of
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On “Bus Rapid Transit and Other Bus Service Innovations”
Before the
Committee on Banking, Housing, and Urban Affairs
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Mr. Chairman, I am Anne Canby, President of The Surface Transportation Policy Project. I am pleased to appear today to present testimony on behalf of the Surface Transportation Policy Project on “Bus Rapid Transit and Other Bus Service Innovations.”

The Surface Transportation Policy Project or STPP is a nationwide network of hundreds of organizations, including planners, community development organizations, and advocacy groups, devoted to improving the nation’s transportation system.

I am pleased to have this opportunity to discuss BRT, enhanced bus services and related issues as this Committee prepares legislation to reauthorize TEA-21.

Overview

First, I would like to recognize the Members of this Committee for your strong commitment to public transportation. The record of success shows that public transit has been a good investment. Clearly, the certainty of funding and the stability of the program structure that you provided in TEA-21 made a difference.

The nation has achieved transit ridership levels last seen in the early 1960s. Over the last several years, the growth in transit use has outpaced driving and air travel. And, we believe that we are positioned for even greater gains in the TEA-21 renewal period if we can “stay the course” and reaffirm the principles that made these gains possible.

There is more good news about public transit and its successes under TEA-21. State and local elected officials, business and community leaders and the public are embracing public transit in ever greater numbers. Virtually every public opinion survey that has been conducted over the last several years shows unprecedented support for increased transit investment and improved transit services.

This hearing reviews what the new law can do to stimulate investment in bus rapid transit and enhanced bus services. We encourage this Committee to make the necessary adjustments to current law to help support the broader deployment of these services, which we see as part of the effort to expand transit use in the U.S.

Investment in BRT and Enhanced Bus Services

Mr. Chairman, STPP would like to offer several recommendations to guide this Committee's work as you make adjustments in current law to give transit providers additional tools to support their efforts to provide a more robust and richer array of transit services.

First, we recommend that the current program structure be preserved and that some simple adjustments to current law be made to support transit providers as they pursue the full range of BRT and enhanced bus service investments.

Second, we recommend that the "new starts" program continue to focus on fixed guideway projects, including BRT that meets the program's more rigorous standards and criteria. Clearly, this program is already substantially oversubscribed; the Administration's proposal to expand the types of projects (e.g. less than full BRT) eligible for new starts funding would be counterproductive and extend further the already unreasonable time for new start funding.

Third, we recommend that the current bus discretionary program be continued and adapted to allow for multi-year grant agreements for BRT projects that fail to meet the new starts criteria as well as for enhanced bus projects that meet certain threshold criteria. It is certain that current program eligibilities will have to be reviewed and may have to be adjusted. But, we believe that providing for multi-year grant commitments in the bus discretionary program is where the Committee can make a real difference for transit providers that want to pursue these strategies.

Fourth, we recommend that the Federal Transit Administration develop a process that would support its efforts to make annual recommendations to Congress on candidate projects within the bus discretionary program where multi-year grant commitments be considered.

Fifth, we recommend that specific criteria be developed to guide FTA in making recommendations to Congress on potential projects that should receive consideration for multi-year commitments as part in annual appropriations bills. Presumably, a transit provider would have to make some showing or demonstration as to why a multi-year commitment is necessary. Beyond this threshold, criteria could be developed to qualify and rank projects for multi-year commitments, and these might include consideration of the use of alternative fueled vehicles, deployment of clean emission vehicles or new technologies, timely compliance with applicable clean air standards, extraordinary expansion of system capacity or service levels, role in the investment in furthering adopted land use plans and corridor redevelopment plans, enhancement of previous investments in surface transportation infrastructure (e.g. highway capacity and transit facilities), leverage of other public and private investment particularly transit-oriented development, or expanded evacuation capacities.

Finally, we recommend that the level playing field within the transit program categories and between transit and highway capital projects be retained at the current 80/20 matching ratio. This is a core principle that was established first in 1991 with the enactment of ISTEA and it should be preserved.

Other Program Considerations

Mr. Chairman, as we examine ways to promote BRT and other enhanced bus services, I wanted to call out some of the overriding issues that will challenge transit providers and their efforts to grow bus systems and services over the next renewal period.

First, **continuation of the guaranteed funding features of TEA-21** is absolutely crucial to sustained investment in public transit infrastructure and services. The dominant theme of all of the hearings on TEA-21 has been that guaranteed funding was the single most important policy change from ISTEA to TEA-21, underpinning the success of the last six years.

STPP along with many of our partners and others have been concerned with proposals that threaten the strong commitments made in TEA-21. The Administration's SAFETEA plan leaves a portion of the transit program outside the budgetary firewalls and spending guarantees, targeting "new starts" funding, the one program area where certainty is most crucial. This program supports what are often the largest and most significant capital projects undertaken by transit providers. And, it has been the new starts program as well as rail transit use overall that have been driving the growth in transit ridership over the last several years.

We are particularly alarmed about proposals in Congress that threaten to destabilize future federal commitments to public transit, by eliminating a substantial portion of the dedicated fuel taxes to the Mass Transit Account and replacing these certain revenues with the uncertain proceeds of a new federal bonding program.

Mr. Chairman, STPP and its many partner organizations strongly oppose this proposal for funding future transit investment in this manner, and we applaud your leadership and others on this Committee for stepping forward to oppose this approach. This proposal

simply ignores what we have learned about the role of certain funding in further enhancing our nation's surface transportation systems.

Second, **system ownership influences choices and the allocation of transportation resources**, and these considerations are particularly important to this Committee's review of BRT and enhanced bus services. What makes non-fixed guideway BRT systems and enhanced bus services appear so much more economical and affordable is the fact that these projects are tapping the value of existing highway and road networks that in almost all cases are owned and managed by agencies other than the transit provider. Getting the incentives and eligibilities right within the FTA programs is only one part of the equation. The other part of the equation is how to get the facility owners engaged in helping make these projects happen.

Transit providers, which are overwhelmingly regional agencies, must partner with state transportation departments, county and city governments (i.e. the owners and operators of the nation's road and street networks) to get the improvements that will be needed to make these new services possible. BRT and other enhanced bus projects rely on technological changes in traffic signalization and other operational changes and most likely some reengineering of the facilities, which are likely to be freeways or principal arterials. While separate guideway systems are expensive, leading to growing interest in some of the approaches being discussed here today, one must recognize that lesser BRT and enhanced bus projects will rely on facilities that are part of the National Highway System and more often part of the federal-aid system. There are real challenges here that should be considered.

How highway dollars are allocated within the states is another important policy consideration. Under TEA-21, almost all highway funds are distributed to the states regardless of how much of the highway and street networks they own and operate, with about six cents of every state dollar reserved for local decision-makers in the larger urbanized areas (i.e. areas of 200,000 or more in population). As local areas look for resources to provide safer access to transit facilities for pedestrians and bicyclists, make

other road improvements to support BRT or enhanced bus services, or use the Act's flexibility to move TEA-21 highway dollars directly into transit projects, the record shows us that most federal highway funds rarely reach local decision-makers to make these choices.

This has led STPP to call for an increase in the allocation of federal highway dollars to local officials in their Metropolitan Planning Organizations (MPOs), raising direct commitments to local decision-makers beyond the six cents on every dollar that current law now provides. In this way, we can better align land use powers and facility ownership with resources, key ingredients to making progress with these approaches. While this issue is squarely before the Senate Environment and Public Works Committee, it is an important consideration in moving forward on the issues being discussed here today.

Finally, **stimulating private sector engagement** is an important consideration in making BRT and enhanced bus services more viable. One of the most important developments in public transportation is the changing attitudes of the private sector about the value of transit services and how the availability of broader mobility choices for people and businesses is reshaping development markets all across the country. Investors and developers are beginning to rediscover the many market opportunities that exist in places with substantial transit investments, most often seen in places with heavy and light rail systems.

We don't yet have enough experience with BRT and enhanced bus services to know what is needed to motivate private sector investment. We do know that the appeal of these rail transit systems is their permanence and accompanying expectations that services will be high quality and enduring. The record on non-fixed guideway systems, including enhanced bus, is less conclusive. Examples outside the U.S. are not readily transferable here, given the externalities that exist elsewhere (e.g. housing policies, high gas prices, lower car ownership, history of transit use, and more centralized government planning, etc.). Nonetheless, this is the right time to be seeking to expand BRT and enhanced bus

services as developers and investors increasingly look to locations with mobility options beyond simply private automobiles.

This is one area where this Committee can look for additional ways to accelerate private sector engagement in TOD and transit more broadly. This Committee shapes housing policy, community and neighborhood development programs and financing tools, certain banking functions, including CRA requirements, and the like. We certainly believe that some of these tools should be examined and adjusted to help stimulate more investment in and around transit services, be it rail transit, BRT or corridors served by enhanced bus services.

Transit Investment and Land Use and Development

Mr. Chairman, among the issues before this Committee is an examination of how transit investments can contribute to land use and community development. We do not yet have enough information to assess how non-fixed guideway BRT and enhanced bus services can influence these issues. However, I did want to cite several examples from this Committee's hearing record on how transit investment can influence these outcomes, noting particularly rail transit projects which have recently opened or where new projects are under development.

Last year in hearings before the Subcommittee on Housing and Transportation, Dallas County, TX Commissioner Kenneth Mayfield recounted the many economic development benefits from his region's light rail system, citing the many millions of dollars in private investment that was stimulated by the opening and subsequent expansion of the DART system. A recent study looked at valuations and the economic impact on properties of proximity to DART stations. "Between 1997 and 2001, the mean value of 47 office properties near DART increased 24.7%, compared with an average increase of 11.5 % for properties not near the stations, giving the DART office buildings a 53% advantage." (Bernard Weinstein and Terry Clower, "DART Light Rail's Effect on Taxable Property Valuations and Transit-Oriented Development, Denton, TX: University

of North Texas Center for Economic Development and Research, January 2003, at <http://www.dart.org>)

In Hank Dittmar's testimony before the Subcommittee on Housing and Transportation last year, he cited a recent study by the University of North Texas found that the new DART system in the Dallas region has already generated over \$800 million in development, and that the full system is projected to generate \$3.7 billion in economic activity upon build out. (University of North Texas, 2000).

Charlotte Mayor Patrick McCrory has talked about the economic impact that his region's proposed rail plan was already having on the City along the planned corridors to be served by rail transit, trolleys and BRT service. Thousands of downtown housing units are under construction or have been constructed in anticipation of the area's transit investment, as well as the reuse of many abandoned brownfields and underutilized land and buildings, particularly those along the route of what will be a restored streetcar line.

What is particularly powerful about the Charlotte example is that the local elected officials working in a regional context have interlocked their land use and development planning with their long-term transit plan. Over a 25-year period, the transit plan calls for 23 miles of BRT busways, 21 miles of light rail service, 11 miles of streetcar service, 29 miles of commuter rail service, 60-70 stations with transit oriented development opportunities, and a 520-bus fleet to provide rapid transit service throughout the metro area. A strong commitment to planning and land use, while key elements of their initial success, is further supported by the region's rapid growth and strong backing from its substantial banking and financial community that understands the value of the transit investments that are being made.

Looking to an example of an earlier transit investment, Mr. Dittmar also talked about the Washington, DC area and discussed a case study that he was compiling on Arlington County and development activity along the Roslyn-Ballston Corridor. "Development along this corridor has allowed Arlington County to capture over 13 million square feet

of office space and 2 million square feet of retail since 1980. The corridor has increased in population from 19,838 in 1980 to 34,485 in 2000, reversing a steep population decline in the 70's. Land value within the corridor near the four stations increased by 81 percent from 1992-20002, an average annual increase of 6.1 percent, generating over \$109 million in property taxes in 2002 alone. The corridor generates approximately 33% of the County's real estate tax on 7.7% of the County's land. According to the study, "Even with the economic downturn and the residual affects of the 9/11 incident (which affected Arlington directly through the bombing of the Pentagon and the subsequent shut down of National Airport and several major arterials), February 2002 vacancy rates were at 10%. This is half of the vacancy rate of suburban office concentrations in outlying Virginia such as Tyson's Corner and Reston. Office rents in the Roslyn-Ballston Corridor also command a rent premium over other office locations in the Northern Virginia marketplace." (TransManagement, Inc. for Great American Station Foundation, forthcoming)

Closing Comments

Mr. Chairman, I want to close my comments by recognizing the considerable progress that has been made in increasing the use of public transit through the nation and again commend this Committee for their strong support of these efforts.

Much of the success that public transit has enjoyed over the last several years is a result of the leadership that this Committee has provided on these issues. The hearing today and the focus on policies that will help promote the increased use of BRT and enhanced bus services will help ensure that we continue to expand on the successes that the continuing federal commitments have helped support.

Thank you for the opportunity to appear before you today.