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Opening Statement
Full Committee Hearing: 21st Century Communities: Public Transportation
Infrastructure Investment and FAST Act Reauthorization
April 15, 2021 at 10:00 AM

Chairman Brown, thank you.

COVID has been an extraordinary crisis that Congress has responded to in an extraordinary way. In 2020, Congress provided almost \$4 trillion in COVID relief through five overwhelmingly bipartisan bills. As part of those bills, we gave \$40 billion to transit on top of the \$12 billion we annually spend on transit.

Last month, Democrats broke from that spirit of cooperation to ram through a wasteful, partisan \$1.9 trillion spending bill. Among its provisions was an extra \$30 billion for transit. To recap, in 2020, Congress provided \$12 billion in annual transit funding, then we spent \$40 billion in COVID relief, and last month we spent another \$30 billion. That's a total of \$82 billion.

What's the annual cost of operating all of the transit agencies in the U.S. combined? In 2019, it was \$54 billion. Even if you add to that the transit agencies' capital expenses, their combined annual costs were still less than \$82 billion.

Democrats tried to justify this spending by saying that transit systems would collapse from declines in ridership and state and local government revenues. But ridership did not drop to zero and ridership has increased since the worst days of the pandemic last spring. Their systems are by definition local. They serve a city or maybe a metropolitan area. Should the local jurisdictions and states where these systems reside have any responsibility to pay for these systems? Evidently not, according to my colleagues.

The fact is, on the whole, state and local tax collections set a new record in 2020. Plus in 2020 we sent more than \$500 billion to states and local governments for COVID relief. And last month, the Democrat spending bill gave them another \$350 billion.

To add insult to injury, we sent these billions to transit agencies without requiring them to implement any reforms. The financial woes of many big-city transit agencies pre-date COVID and are tied to chronic financial mismanagement.

For example, New York City's MTA, the country's largest transit agency, has been mismanaged for years. It's had mounting debts—with its long-term debt tripling, from 2000 to 2019, to over \$35 billion. In 2019, MTA projected enormous budget deficits, reaching \$1 billion in 2022. And since 2014, it's had \$7 billion in questionable and suspicious overtime expenses.

This February, MTA was finally close to making reforms to address its chronic problems. But then Democrats threw more money at MTA, and, lo and behold, MTA's proposed reforms went away. MTA's problems haven't been fixed—they've just been kicked down the road, courtesy of the U.S. taxpayer.

Now the Biden administration wants another \$85 billion for transit as part of a wasteful, multi-trillion dollar welfare and infrastructure bill. Let's consider how excessive this is. If we pass the Biden bill, along with the transit funding extension that is being contemplated here, and combined it with the \$82 billion we provided over the last year, we could, based on 2019 Census data, buy every transit commuter in America a \$30,000 car.

Mr. Chairman, I'm glad you're holding a hearing on FAST Act reauthorization. Because we should be talking about how to reform our existing transit funding system. We should certainly be doing that rather than thinking about spending another \$85 billion on transit.

In doing so, we should be guided by sensible principles that will protect taxpayer dollars from misuse, including: prioritizing maintaining existing systems rather than expanding with the hope that there will be demand; ensuring state and local governments pay their fair share and are accountable; removing useless regulations that delay projects and increase costs; reforming planning requirements that otherwise lock local governments into rigid, long-term system expansions; paying for infrastructure improvements responsibly, including addressing the insolvency of the Highway Trust Fund, and limiting transit's share of the Highway Trust Fund expenditures to the long standing level of 20 percent.

Importantly, we need to ask, does mass transit continue to make sense in every U.S. city at its current scale?

Today, we will hear from two witnesses how we can take a more thoughtful approach to funding transit than just throwing money at it. Baruch Feigenbaum is a transportation expert at the Reason Foundation. He will testify that transit systems and lawmakers must adjust to the shifting work and transportation trends accelerated by the COVID pandemic.

We will also hear from David Ditch, a budget and transportation expert at the Heritage Foundation. He will testify that the transit funding in the recent Democrat spending bill bailed out chronically mismanaged big city transit agencies.

This year, Congress should come together to responsibly reauthorize the FAST Act, while reducing wasteful, outdated, and duplicative spending. I hope my Democratic colleagues will follow that path of cooperation rather than ramming through another partisan spending bill that wastes taxpayer dollars on transit bailouts and other liberal priorities.