

**Statement of Sandra Bushue  
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Before the  
Committee on Banking, Housing, and Urban Affairs  
United States Senate  
Hearing on the Federal Transit Administration FY 2007 Budget  
February 28, 2006**

Thank you, Mr. Chairman, for the opportunity to testify today on the Federal Transit Administration's fiscal year (FY) 2007 budget request. We appreciate your continued interest and strong commitment to public transportation as embodied in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) enacted by Congress and signed by the President on August 10, 2005.

I am pleased to report to the committee that the President's FY 2007 budget for transit is a record \$8.9 billion. This is a significant commitment given the overall context of the President's FY 2007 budget. At a time when most non-security related domestic programs are experiencing reductions in their funding levels and when the Department of Transportation's total budget is holding steady, funding for transit in this budget grows by more than 4 percent or \$370 million above the FY 2006 level. This shows the high priority this Administration puts on funding public transportation among many competing national priorities.

**Top FY 2007 Priorities**

Since my recent arrival, I have been impressed with the energy and dedication of FTA's staff. Thus I want to take this opportunity to focus on FTA's top priorities. They include:

- Effective and timely implementation of SAFETEA-LU
- Effective management and oversight of almost \$8.9 billion in formula and capital investment grants, especially New Starts full funding grant agreements
- Improved coordination of human services transportation for disabled persons, older adults and individuals with lower incomes
- Continued work with the Department of Homeland Security to strengthen transit security, including training, emergency preparedness and public awareness
- Use of performance information and program assessments to better manage risk and drive agency results, and
- Attracting and retaining the best workforce with the skill-set to meet the challenges facing the agency

## **SAFETEA-LU Implementation**

SAFETEA-LU authorizes a total of \$45.3 billion in guaranteed funding for Federal transit programs over the five-year period FYs 2005 - 2009, an increase of 46 percent over TEA-21 funding. In addition to historic funding levels, SAFETEA-LU added new programs such as New Freedom and Alternative Transportation in the Parks and Public Lands that began in FY 2006, and modified other programs. SAFETEA-LU also required that FTA promulgate about a dozen new regulations for joint planning requirements, New Starts (including the Small Starts program), Buy America, Charter Bus, and a joint rulemaking on security with the Department of Homeland Security.

Since the President signed SAFETEA-LU in August 2005, FTA has worked diligently to implement the many changes and requirements. FTA has demonstrated progress with an aggressive schedule to meet the requirements in SAFETEA-LU and facilitate program implementation. In the early months following enactment, FTA signed the Memorandum of Understanding Annex with the Department of Homeland Security, published interim FY 2006 transit program guidance for public comment, and initiated a communications and outreach strategy that included publishing informational materials on its web site and hosting several dozen listening sessions to solicit public and industry input on its program proposals.

Since January, FTA has worked to publish for public comment in the Federal Register New Starts Policy Guidance, an Advance Notice of Proposed Rulemaking on the Small Starts program, and a Notice of Proposed Rulemaking on Buy America. FTA will continue its aggressive implementation of SAFETEA-LU and will hold additional listening and outreach sessions to obtain public input for agency consideration as it develops circulars and guidance for official comment.

## **FY 2007 Budget Request**

Now I would like to touch on some of the highlights of the President's FY 2007 budget for the FTA. The budget reflects the Administration's commitment to public transportation as envisioned in SAFETEA-LU.

## **Urbanized Area Programs**

In FY 2007, \$7.3 billion is requested in a solely trust-funded account for Formula and Bus Grants. This includes \$3.9 billion for the Urbanized Area Formula Grants Program, including Growing States and High Density States and \$1.4 billion for the Fixed Guideway Modernization Program to ensure that the Nation's older fixed guideway systems continue to meet the transportation needs of the communities they serve.

Formula Grants funding can be used for all capital transit purposes and, in areas under 200,000 in population, for operating assistance. Eligible capital expenses include: planning, bus, van, railcar, intelligent transportation systems (ITS), and equipment purchases; facility repair and construction, new technology introduction, and preventive maintenance.

These funds help public transit agencies reduce congestion, ensure basic mobility, promote economically vital communities and meet the requirements of the Americans with Disabilities Act (ADA) and the Clean Air Act (CAA).

### **Bus and Bus-Facilities**

FTA requests \$856 million for bus and bus-related capital projects that enhance the efficiency and safety of the nation's bus systems. In FY 2007, FTA is proposing a clean fuels and electric drive bus deployment (hybrid-electric) program to encourage and provide incentives to transit agencies to procure low emission technology buses, including hybrid electric buses. The FTA hybrid-electric program will develop a comprehensive approach to addressing existing barriers and challenges to the adoption and deployment of new low emission technology by a greater number of the Nation's transit agencies.

### **State Administered Grants**

The important goal of improving mobility for the elderly, persons with disabilities, and individuals with low-incomes requires more flexibility and fewer funding constraints on communities. FTA's budget requests \$809 million for several transit programs administered primarily by States. For the Nonurbanized Area Formula program, \$467 million may be used to support intercity bus service as well as to help meet rural and small urban areas' transit needs and includes funding for the new Growing States program. A total of \$117 million in formula grants for the Elderly and Individuals with Disabilities program will be apportioned to each State according to a legislatively required formula to assist in providing transportation to the elderly and individuals with disabilities. The budget includes \$144 million for the Job Access and Reverse Commute program apportioned to States by formula for grants to non-profit organizations and local transit agencies to support transportation services for welfare recipients and low-income individuals. Funding for the New Freedom program totals \$81 million and will provide additional support to overcome the significant transportation barriers facing millions of Americans with disabilities seeking access to jobs and integration into the workforce.

### **Metropolitan and Statewide Planning**

In FY 2007, FTA requests a total of \$99 million for Metropolitan and Statewide Planning. Funding will support implementation of the expanded analytic, environmental, transportation air-quality conformity, and evaluative work necessary to ensure that Federal and other transportation investments are cost-effective. Metropolitan Planning Organizations (MPOs) and State departments of transportation use these funds for planning activities that support over \$8 billion in annual capital transit projects located in all 50 States, Puerto Rico, and the District of Columbia. These funds also support planning activities for FTA capital grants that will be made to rural transit operators and tribal governments. Both the FTA and the Federal Highway Administration (FHWA) carry out statutory planning requirements through Metropolitan Planning Organizations, State DOT's, and transit operators as a condition of Federal assistance for most mass transportation and highway projects.

### **Alternative Transportation in Parks and Public Lands**

For FY 2007, \$23 million is requested to enhance the protection of America's national parks and public lands by improving the experience of those visiting our national parks, while ensuring transportation access and mobility for all visitors, including individuals with disabilities. FTA is working with the Department of the Interior and the U.S. Forest Service to implement this new program. Investment in alternative transportation solutions in our national parks and public lands has many benefits, such as relieving traffic congestion and parking shortages, enhancing visitor mobility, accessibility, and safety, enhancing mobility and safety for local residents, conserving sensitive natural, cultural, and historic resources, and reducing pollution.

### **Clean Fuels Grant Program**

The Clean Fuels Grant program is requested at \$45 million to provide financing for the purchase or lease of clean fuel buses and facilities and the improvement of existing facilities to accommodate these buses. This includes buses powered by compressed natural gas, biodiesel fuels, batteries, alcohol-based fuels, hybrid electric technology, fuel cell and certain clean diesel fuels (up to 2 percent of grants annually), and other low or zero emissions technology.

### **Major Capital Investments**

The budget requests almost \$1.5 billion for the New Starts program. New Starts projects help improve mobility, reduce congestion and pollution, and promote new economic activity throughout the Nation. The \$1.5 billion fully funds the Federal commitment included in 16 existing full funding grant agreements (FFGAs) with transit agencies. Funding also supports two FFGAs that we expect to sign before the end of FY 2006, one in Pittsburgh and one in New York City.

I am also pleased that five new projects have made it to the New Starts finish line and are ready for FFGAs. These projects include three light rail transit projects in Denver, Portland and Dallas. In addition, commuter rail projects in Washington County, Oregon and Salt Lake City are also ready for FFGAs.

I want to share with the committee our plans for implementing the new "Small Starts" program in FY 2007. This program will provide Federal Small Starts funding up to \$75 million for projects under \$250 million in total cost. We are very excited about this new program. It is a program we recommended to Congress because it levels the playing field for medium and small communities.

We know from several listening sessions we have held that communities across the country are interested in this new program and how it will work. Last month, we published in the Federal Register for public comment an Advance Notice of Proposed Rulemaking on the evaluation criteria and other requirements. Final regulations are not expected until June of 2007. Given all the work ahead of us and the strong interest by communities to help develop

the program requirements, we believe that \$100 million will provide a sound first investment for a program we are committed to implement during FY 2007.

### **Project Oversight**

FTA remains committed to ensuring the completion of New Starts projects on time and on budget. Our successful oversight program works with transit agencies to identify potential problems before they grow into major crises. The DOT Inspector General has reported that FTA's oversight program is "essentially a sound approach that can provide early warnings of cost, schedule, and quality problems."

One tool we use to help ensure that projects meet their cost, schedule and transportation benefit expectations is a quantitative risk assessment. These risk assessments help project sponsors identify the issues that could affect schedule or cost, as well as the probability that they will do so. Utilizing the risk assessment tool, every project sponsor is required to: identify the project's key cost drivers; identify, quantify, and prioritize based on impact and probability the risks associated with potential cost increases and schedule delays; and develop contingency levels and risk mitigation plans sufficient to assure confidence in the project cost estimates.

### **Research and University Research Centers**

In 2007, \$61 million is requested for the National Research and Technology program, Transit Cooperative Research Program, the National Transit Institute and University Research Centers. Of this amount, \$40 million is requested for the National Research and Technology program. These funds support the goals of FTA's Strategic Transit Research Plan developed in consultation with the transit industry. The budget includes \$9.3 million for the Transit Cooperative Research Program (TCRP), which focuses on issues significant to the transit industry. The budget requests \$4.3 million for the National Transit Institute (NTI) and \$7 million for University Research Centers that provide continued support for research, education, and technology transfer activities aimed at addressing regional and national transportation problems.

### **Administrative Expenses**

FTA is requesting \$85 million in administrative expenses to help ensure it can effectively and efficiently fulfill its mission. This request supports 14 additional full time equivalent (FTE) personnel for a total of 531 FTEs, information technology, space management, travel, training, and other related administrative expenses.

New requirements and program changes must be supported with higher staffing levels if FTA is to be effective and timely in implementing SAFETEA-LU. The law creates a number of new programs such as Small Starts, Transit in the Parks, and New Freedom, and requires that regulations be developed and published in the Federal Register for New Starts, Buy America, security, and Charter Bus. In addition, significant outreach efforts are needed in order to provide other Federal and State agencies, public transit agencies, the transit

industry and the transit riding public with information on changes in statute, policies and procedures, guidance and technical assistance.

### **Transit Security**

The security of our public transportation system remains a high priority of this Administration and the Department and our budget includes \$42 million to support security, within which is the one percent set aside from urban formula grants to fund public transportation security projects. Transit agencies across America have strengthened their security systems and enhanced their emergency response plans, and FTA has placed a high priority on increasing the security of our public transportation systems and ensuring that they are prepared for security threats and emergency situations.

Working with the Department of Homeland Security, FTA has identified three priority areas with regard to security: 1) training transit employees to deter, detect, mitigate and respond to a variety of emergency scenarios; 2) ensuring that local agencies have emergency plans in place and routinely practice them; and, 3) increasing public awareness, so that passengers can identify suspicious or unusual behavior, communicate with transit officials, and exit safely in the event of an emergency.

### **Enhanced Coordination of Human Service Transportation**

In response to the recommendations of the President's Council on Access and Mobility, and in accordance with the President's Executive Order 13330, FTA implemented United We Ride, a five-part nationwide initiative to improve transportation services for people with disabilities, individuals with low incomes, and older adults. The initiative to improve the coordination of human services transportation includes: 1) publication of "*A Framework for Action*"-- a self-assessment tool that States and communities can use to identify areas of success and the actions still needed to improve the coordination of human service transportation; 2) recognition of leadership -- in February 2004, Secretary Mineta recognized five States -- Ohio, North Carolina, Washington, Florida, and Maryland that are leading the way in building and implementing infrastructures, policies and programs that facilitate human service transportation coordination; 3) holding a National Leadership Forum -- Governor-appointed senior leadership teams from 47 States and U.S. territories met to raise the visibility of the need to improve human service transportation coordination among State leaders, provide technical assistance, and secure commitments to action; 4) providing grants -- \$1.5 million to address gaps and needs related to human service transportation in their geographic regions; and 5) providing technical assistance -- "*Help Along the Way*" was launched that built on the work of the Community Transportation Assistance Program, the Rural Transportation Assistance Program, and Easter Seals Project ACTION.

Mr. Chairman, we look forward to working with this Committee in support of public transportation in our great country. Thank you again for the opportunity to testify on the FY 2007 budget request and other issues important to us. I would be happy to respond to questions from the Committee.