Testimony
Of

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On Behalf of
The United States Conference of Mayors
and the City of Denver

Before the Senate Committee on Banking, Housing, and Urban Affairs

"Sustainable Transportation Solutions:
Investing in Transit to Meet 21st Century Challenges"

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Chairman Dodd, Ranking Member Shelby, and Members of the Committee, thank you for inviting me to testify today about "Sustainable Transportation Solutions: Investing in Transit to Meet 21st Century Challenges."

This nation cannot deal with our energy and climate challenges, without confronting the transportation sector.

The United States transportation sector – its systems and practices – has played a significant part in growing the nation's energy dependency on foreign energy supplies, principally petroleum, and in contributing to higher oil prices and other energy price increases. In 2007, 69 percent of the nation's total petroleum products were consumed in the transportation sector, with petroleum products powering more than 98 percent of the nation's transportation mobility. Currently, the United States is the world's largest energy consumer and largest greenhouse gas emitter.

America's mayors understand all too well that our nation cannot remain economically competitive with the world if we continue down this path. This means going forward, all federally-assisted transportation investments must address energy and climate concerns, through needed shifts and reforms in federal policies and programs that emphasize sustainable transportation investments, led by increased investment in public transit and intercity passenger rail.

Mayors also believe that we must rebuild and modernize our nation's transportation infrastructure in ways that are more energy efficient, less reliant on foreign oil, and more environmentally sensitive. To accelerate the achievements of more sustainable transportation solutions, federal policy must increasingly empower local elected officials, especially in metropolitan areas, to make the decisions on how federal transportation resources are invested. Decisions that this Committee makes about sustainable transportation solutions will be a critical factor in whether the next surface transportation authorization bill is sufficiently transformational to ensure that federal resources are deployed more strategically so that we confront our nation's energy and climate challenges.

As a broader policy matter, the next bill should empower and incentivize leaders, especially those at the local level, to better connect investment decisions about land use, economic development, energy, and environmental factors. Mr. Chairman, many of these decisions are typically under the authority of local governments, which explains why we believe it is so important to empower local officials starting with those in metropolitan regions with the decision making responsibility coupled with greater accountability and performance measures.

As Mayor of Denver, my own perspective on the next bill is driven by our experience in collaboration across the metropolitan region to build our FasTracks transit project. The City encompasses 44.7 square miles and roughly 600,000 residents, but our metropolitan region has a population of nearly 2.8 million people, and a growth rate that has consistently outpaced the national rate every decade since the 1930s. Within the next 25 years, Metro Denver's population is anticipated to reach almost 3.8 million. Metro Denver has been nationally recognized for our capacity to plan and work collaboratively across potentially balkanized local political jurisdictions – from our FasTracks transit project to our regional economic development initiatives to our cultural facilities tax district, all of which involve and benefit the localities within the eight Metro Denver counties, and encompass an area roughly the size of Connecticut.

I also appear today as the Chair of The United States Conference of Mayors Transportation and Communications Standing Committee.[1] Therefore, what I thought I would do first is provide a few remarks on the American Recovery and Reinvestment Act followed by remarks on investing in sustainable transportation solutions.

I want to thank the leaders of this Committee for your efforts to increase public transportation investments in the American Recovery and Reinvestment Act (ARRA). Mayors are pleased with many of the investment priorities set forth in this historic bill. At a time when the nation is facing its deepest economic crisis since the Great Depression, ARRA will begin the process of rebuilding our transportation infrastructure, create and save transportation sector jobs, and even expand out transportation capacities.

These funds will help replace and modernize congested, aging, and outmoded systems. This is a down payment on a new path to transforming our transportation systems recognizing that our

[1] There are 1,139 such cities in the country today, each represented in the Conference by its chief elected official, the Mayor.

Interstate system, now more than 50 years old, must be supplemented with alternative modes of travel including transit and high-speed rail – which are key Conference priorities.

More broadly, this Committee's longstanding commitments to increasing investments in public transportation have been productive, especially during last year's run up in gasoline prices. Public transportation is a safe, reliable and cost-effective alternative for travel. Today, we see total ridership levels last achieved in the 50s. This shift to transit, often motivated by the public's desire to reduce household transportation costs, and declining driving rates has resulted in significant reductions in measured congestion levels in metropolitan areas throughout the U.S., although our reporting systems don't capture these changes in real time. For the first time, we have been adding transit riders during an economic downturn, contradicting past trends and assumptions. Ridership kept growing despite record declines in gas prices, especially during the last quarter of 2008. Mr. Chairman, I encourage you to look at the dire financial situation of many transit providers, especially erosion in their operating accounts, to make sure that resource constraints don't result in a contraction of services we provide at a time when more people are turning to public transportation.

In addition, I want to thank Committee leaders and others for your many efforts during the last session to assist cities in addressing the many economic challenges now before our communities and regions. Specifically I want to recognize your work on supporting local leaders in addressing the foreclosure crisis, notably new resources to help us deal with rising foreclosures through the Housing and Economic Recovery Act of 2008.

Metropolitan Areas – Investing In The Engines of America's Growth Through Mobility

Metropolitan areas are the drivers of the American economy. While covering just 26% of the United States land area, metropolitan regions account for more than 83% of the nation's population, 85% of national employment, 87% of labor income, 86% of gross domestic product (GDP), and 92% of the increase in real output in 2007.[2] Of the 100 largest international economies in the world, 42 are U.S. metro areas. Metro Denver, for example, has a gross metropolitan product larger than Pakistan and nearly as large as Israel.[3]

As the Report of the National Surface Transportation Policy and Revenue Study Commission states, "Federal transportation policy must more effectively support and encourage the use of public transportation as part of a balanced approach to a metropolitan mobility program. Traditional bus and rail transit and, where appropriate, intercity passenger rail, must be an increasingly important component of metropolitan mobility strategies due to their ability to move large volumes of people into and out of areas that cannot handle more automobiles."

Consistent with this need, the foremost recommendation among the list of transportation authorization policy positions that the Conference of Mayors adopted in June is a call for creation of

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[2] See Attachment Shares of U.S. Economy 2007: U.S. Metro Economies Report 2008

[3] See Attachment World Rankings of Gross Domestic and Metropolitan Product 2007: U.S. Metro Economies Report 2008

a metropolitan mobility program. The recommendation also directly ties to the U.S. Conference of Mayors' Climate Protection Agreement – an agreement whereby mayors pledge to reduce carbon dioxide emissions by 7 percent below 1990 levels by 2012 – more investment in public transportation will lead to a reduction in energy consumption and greenhouse gas emissions.

Priority Areas for Sustainable Transportation Solutions Through Statutory Reform

Reflecting consultation with the mayors, seven areas of fundamental reform to underlying federal transportation statutes set the context for a sustainable transportation focuses next surface transportation bill:

- Federal transportation investments need to reflect energy and climate priorities, so that we can reengineer and expand our transportation infrastructure in ways that curb greenhouse gas emissions and reduce our dependency on foreign oil. Nationwide, about one-third of carbon emissions are generated from mobile sources; in regions like the Bay Area, cars and light trucks represent about half of all carbon emissions. U.S. gasoline consumption is about equal to the amount of oil we import. Our national transportation policy should recognize that achieving climate protection and greenhouse gas reductions emissions will require increased investment in public transportation. As the Report of the National Surface Transportation Policy and Revenue Study Commission states, "Not only is transit an important element of congestion relief strategies, it supports policies to reduce transportation energy consumption, greenhouse gas emissions, and air pollution if sufficient use is demonstrated."

- Federal funding mechanisms must move past programmatic silos and eliminate the biases embedded in current law that favor some transportation modes over others. The federal funding system currently follows processes and creates incentives that do not direct resources to the geographic regions or types of transportation solutions that yield the greatest cost-benefit impacts and are central to national economic prosperity and growth. With key transportation statutes – surface and aviation – under consideration for renewal this year, and a new Federal commitment to high-speed rail, an opportunity exists to make delivery of resources and transportation services to the public more seamless and integrated.

- Rail transportation for both freight movement and passenger travel is a top priority going forward. We seek a better approach to investment, and coordination of uses in existing highway and railroad rights of way, that can accelerate the deployment of infrastructure within and between our nation's metropolitan areas. Moving more goods by rail can reduce energy consumption and allow better use of existing highway capacity. Transit systems are experiencing unprecedented growth in use, with the public consuming existing capacities and demanding new services as well. As we are witnessing in Denver, the presence of transit also is driving community and economic vitality with transit-oriented commercial and residential development. However, while the Denver region has been highlighted as a national prototype for rapid and broad-based expansion of metropolitan rail services, it was very difficult to initiate, and we now face the significant challenges of a weakening economy producing slower local revenue growth, as well as record energy and commodity prices that run up the costs of operating existing services and new construction.

- The disparity in planning requirements for transit versus highway projects promotes road investments to the detriment of the urban core that most benefits from public transportation. Localities must show that they have adequate resources to fully construct, maintain, and operate new transit facilities, at a high non-federal match; however, none of those conditions apply equally to highway projects. In fact, nearly a decade ago, the federal government removed the major investment study requirement that also had mandated for highway proposals a cost-effectiveness evaluation of alternative approaches to achieving a given transportation objective, taking into account a range of economic, environmental, and financial factors. Mayors and our regional transportation partners are asking for rigorous evaluation and matching rules to apply uniformly for highway and transit projects, metropolitan and non-metropolitan, so we can enable planners to make decisions driven by the merits and not differently aligned incentives.

- Transportation planning processes in our metropolitan areas cannot be meaningful if there is little connection between those plans and control of resources to implement them. While the law preserves that MPO's will take the lead in regional transportation planning, federal statute did not establish a funding structure to support that practice. In most metropolitan areas, local officials are not afforded the opportunity to control or substantially influence how the bulk of federal resources are expended in the region. Typical state practice is to determine what share of federal resources are made available to the metropolitan area, and then largely decide or influence what major investments are made. Often, the MPO simply confirms these investments in their plans. Of the federal transportation resources provided to the states, only a small portion is definitively committed directly for local decision-making in metropolitan areas -- $54 million of $438 million in spending authority under the core highway program categories in Colorado last year, even though Metro Denver represents half of the state population and 60% of economic output. Furthermore, metropolitan areas contribute significantly more in tax receipts than they receive in distributions from their state highway fund or direct local transfers.

- Federal transportation policy does not support or provide incentives for crosscutting functional relationships and planning collaboration. With major population growth projected in many metropolitan areas and congestion already prevalent, managing decisions about meeting mobility needs and quality of life will entail decisions about more than just building more transportation capacity. Similarly, transportation investments are major economic factors, opening up new development area opportunities, creating jobs, impacting personal mobility costs, and influencing productivity. Finally, transportation impacts the environment and climate change, both through the structure of neighborhoods and the reduction of greenhouse gas emissions. In Denver, this means that our transportation decisions are tied to promoting livable urban centers and sustainable development broadly. The FasTracks project, supported unanimously by all 32 metro mayors and approved by voters in the eight Metro Denver Colorado counties in 2004, is the unifying element in our regional community planning efforts, $6.9 billion, 12-year plan linking the region with comprehensive mass transit service through 119 miles of new light rail and commuter rail, 18 miles of bus rapid transit service, 21,000 new parking spaces at rail and bus stations, and expanded bus service. Furthermore, in the City itself, we recently completed a Strategic Transportation Plan that adopts an alternative approach to transportation planning -- instead of just forecasting future auto travel, we have developed a mathematical model that forecasts person-trips so that we can evaluate the magnitude of impacts caused by all types of travel. All of these transportation plans are tied to our zoning decisions centered on transit-oriented development (TOD), building neighborhoods around FasTracks and bus transit stops so that housing, offices, and shopping are all within walking distance. Helpful federal actions to increase cross-cutting functional relationships and planning collaboration ranges from readjusting the cost-effectiveness rating for New Starts projects so that related development and environmental benefits are appropriately considered to promoting affordable housing near transit. Many local political obstacles to jointly planning for transportation, housing, and land use decisions can be overcome through the motivation of new competitive federal funding to implement those decisions.

- All of our key federal transportation programs are short of resources. The shortfall in the Highway Trust Fund posed the most acute challenge, but other accounts to varying degrees are also challenged by resource constraints. This situation argues for consideration of creative, broader revenue and financing options that allow us to increase our national commitments to transportation infrastructure broadly, not just one mode at a time or in piecemeal fashion.

Through a transit, energy, climate, metropolitan focused next surface transportation authorization we will emerge as a new nation so that we will indeed prove what others have dubbed, the Century of Cities.

All across America mayors are gearing up in cities, large and small, to provide jobs and opportunities to help move our nation toward economic recovery. The implementation stage begins now with the American Recovery and Reinvestment Act and will continue with the next surface transportation bill. There's work to be done and the Mayors will do it.

Thank you again for the opportunity to speak with you about sustainable transportation solutions. I look forward to working with you during the upcoming authorization to increase funding commitments to public transit.