



## Introduction

Chairman Brown, Ranking Member Toomey, and Members of the Committee on Banking, Housing, and Urban Affairs, on behalf of the Southwest Ohio Regional Transportation Authority (SORTA) thank you for the opportunity to testify on the **“21st Century Communities: Public Transportation Infrastructure Investment and FAST Act Reauthorization.”**

My name is Darryl Haley, and I am the Chief Executive Officer & General Manager of SORTA, the public transport agency serving Greater Cincinnati and its surrounding suburbs. Our service area includes Hamilton County, in addition to providing commuter routes from Butler County, Clermont County, and Warren County. I would like to share with the Committee some of the issues that are critical to our agency and the broader industry as you consider policies related to the next surface transportation reauthorization that will succeed the Fixing America’s Surface Transportation Act (FAST Act).

By way of background, SORTA operates 46 major fixed bus routes, as well as a demand-responsive paratransit service, making approximately 14 million passenger trips annually. We are excited about the future of transit in our region due to the support we recently received from the citizens of Hamilton County. On May 14, 2020 the citizens voiced their confidence in our authority by passing a new countywide transportation levy. Issue 7 approved a 0.8 percent countywide sales tax increase for transit service and transit-related infrastructure improvements, which triggered elimination of the 0.3 percent city of Cincinnati earnings tax on city residents and workers that has been Metro’s primary funding source for nearly 50 years.

In the coming month, Metro will begin rolling out the Reinventing Metro plan, which will provide much needed improvements and expansions, including: more crosstown routes, more frequent service, 24-hour service on several routes, expanded weekend service, earlier and later service on several routes, circulator routes, extension of Express routes, new service to emerging job centers, and an overall expansion of its service area. During this multi-year rollout we will continue to engage the community to ensure their evolving needs are met.

Additionally, we are proud of the job access improvements the plan we will provide including:

- 20,000 more job accessible by Metro
- 740 more employers accessible by Metro; and
- \$850 Million total wages accessible by Metro

As you all are most certainly aware, COVID-19 has devastated many of our communities and SORTA has been laser focused on making sure we do our part in uplifting our fellow citizens

that are still struggling. Our Everybody Rides Metro Foundation (Empowerment Fund), continues to support low-income riders, and we re-launched the Fund in January 2021 with the first contribution of \$42K of the \$500,000 to be received annually. Currently we have 21 social service agencies registered and these agencies are reimbursed 50% of the fare for travel for trips related to:

- Work and job training
- Medical services; and
- Social services

I would like to thank each of you for your leadership in supporting transit during this pandemic. The COVID-19 relief packages have been critical to ensuring our ability to keep our doors open, buses on the streets, our employees being able to keep their good paying jobs to support their families, and their health insurance; all while many of them come to work every day putting themselves on the frontline to make sure other members of the community have the ability to get to work, school, doctor's appointments, the grocery store and other essential activities.

Thanks to funding provided by the CARES Act, SORTA has been able to provide PPE for our employees, as well as our passengers, and install plexiglass barriers on each of our.. The funds enabled SORTA to maintain staffing levels throughout the pandemic and avoid any layoffs. We were also able to retrofit our workspaces and return to full service more quickly after the stay-at-home orders were lifted.

Currently, Metro is offering free rides to support our regional "Get Out the Vax" efforts to remove transportation barriers and ensure equal access to COVID-19 vaccines in our community.

This year has not been easy, but I am proud to say that SORTA has worked hard each and every day to serve our community and we have had some significant accomplishments during this season as well. As I mentioned earlier, we passed a countywide levy in the midst of a panemic; opened a new transit center in our second busiest transfer location; brought Access para-transit service in-house; increased ridership 4.3% first quarter (prior to COVID-19); updated our fleet with 19 new buses featuring Wi-Fi and charging ports for customer usage; signed an advertising contract whose revenue will be used to add 400+ benches and 200 shelters at high traffic bus stops; became fully staffed with operators; and we were among the first business in the city to recognize Juneteenth as a paid holiday, just to highlight a few.

As you might expect we have had our challenges as well; ridership is down about 50% due to COVID-19; we have incurred increased costs related to COVID-19 supplies, i.e. masks, gloves, sanitation solution, installing barriers, etc.; and delayed the rollout of the Reinventing Metro Plan from Q4 2020 to Q2 2021.

Given our current circumstances and as you consider reauthorization of the FAST Act, there are a few policy recommendations I would like to make this morning. First, I was pleased to see President Biden's commitment to transit included in his transformational America Jobs Plan, and within his FY2022 Budget. His call for new funding to modernize existing public

transportation and for transit expansion aligns with the work we are doing at SORTA and the local investment being made by our Reinventing Metro Plan.

I believe this forward-thinking along with the top policy recommendations presented by our industry association the American Public Transportation Association (APTA) would provide the investment needed to build a 21<sup>st</sup> century transportation system our country is in dire need of.

The top three APTA policy priorities are premised on erasing the infrastructure deficit, rebuilding and expanding our public transportation systems to best meet the needs of today's commuting public and future demands, and enhancing our nation's economic competitiveness. APTA calls for a total federal investment of **\$178 billion** over six years for public transit and passenger rail. If enacted, this investment will create or sustain more than **two million jobs**.

### **1. Highway Trust Fund Solvency and Long-Term, Increased Investment**

**APTA calls for federal investment of \$145 billion over six years to fund critical projects that will repair, maintain, and improve our public transit systems today and in the future.**

APTA based this Recommendation on the funding needed to provide the federal share necessary to eliminate the transit state-of-good-repair backlog, which the U.S. Department of Transportation (DOT) has determined is more than **\$99 billion** and growing.<sup>1</sup> Additionally, our plan would fully fund each of the projects currently in the Capital Investment Grants (CIG) pipeline, and fund other key priorities outlined below.

It has been more than **25 years** since Congress last raised the federal fuel taxes that primarily support the Highway Trust Fund, and the purchasing power of this revenue has decreased by more than **40 percent** over that time. Current revenues deposited into the Trust Fund are insufficient to support the existing federal highway and public transportation programs without significant general fund contributions. This status quo is unsustainable and tough choices need to be made by Congress.

### **2. Reestablish a 40-40-20 Capital Investment Ratio Among Key Programs**

**APTA calls on Congress to reestablish a 40-40-20 capital investment ratio among the CIG, State of Good Repair, and Buses and Bus Facilities program.** Historically, Congress allocated funding on a 40-40-20 basis among the CIG, State of Good Repair and Buses and Bus Facilities programs. The 40-40-20 ratio was maintained in authorizing law from 1987 through 1998, and for guaranteed authorizations from 1999 through 2003. Recent authorization acts have not maintained that ratio and, as a result, the Buses and Bus Facilities program has received less funding.

Our Recommendations provide significant increases for the CIG, State of Good Repair and Buses and Bus Facilities programs. In growing each program, APTA believes that a relative distribution

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<sup>1</sup> DOT, *Status of the Nation's Highways, Bridges, and Transit, Conditions and Performance* (November 2019) (hereinafter referred to as the DOT Report).

of 40 percent for CIG, 40 percent for State of Good Repair, and 20 percent for Buses and Bus Facilities is the fairest allocation of funding for these three capital investment programs.<sup>2</sup> To achieve this objective, APTA proposes that the Buses and Bus Facilities program grow at a higher rate in the early years of the authorization period.

In Cincinnati, SORTA will need roughly \$25 to \$30 million to get facilities into a state of good repair, which is more than is available in current grant programs. SORTA also depends on the Bus and Bus Facilities Program and the 5339 B competitive program for replacement buses. SORTA is going to need roughly \$44 million over the next four years for replacement buses, and another \$54 million for a planned fleet expansion of roughly 102 buses over 4 years.

APTA calls on Congress to increase the capital cost thresholds for the Small Starts program from \$300 million for total project cost to \$400 million and the Capital Investment grants share from \$100 million to \$200 million. For New Start and Core Capacity projects, APTA requests that the time period to complete Project Development be increased from two year to three years, that the Risk Assessment and the establishment of the federal share occur during the Engineering phase for New Starts and Core Capacity projects, and that the risk probability for the Risk Assessment be reduced from 65 percent to no higher than 50 percent. APTA also requests that expenditures incurred to comply with National Environmental Policy Act (NEPA) prior to entry into Project Development be counted as local match for the project.

### **3. Mobility Innovation and Technology Initiative**

**APTA calls for the creation of a new Mobility Innovation and Technology Initiative to introduce cutting-edge technologies and integrate new service-delivery approaches and mobility options in the transit marketplace.** We need to invest in public transportation innovation that meets the evolving needs of our residents and the places they live. Advances in technology have allowed vehicles to operate with increased autonomy and efficiencies, and data capabilities enable effortless trip planning and streamlined information sharing. Today, there are more transportation options than ever—commuters may ride a shared scooter to a bus stop or take rideshare to a rail station.<sup>3</sup>

Our members are redefining mobility in their communities and using technology to ensure greater reliability, expand services, and improve customer experiences. We believe that smart investments in demonstration and implementation projects today will meet the mobility demands of our riders in the future.

As part of the Reinventing Metro plan, SORTA is utilizing technology to examine how to integrate mobility on-demand services with our fixed route service and have installed electric charging stations at our newest transit centers to plan for electric vehicles, as part of our

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<sup>3</sup> According to *The Transformation of the American Commuter*, 77 percent of Americans say public transportation is the backbone of a multi-transit lifestyle. APTA is leading the charge to support public transportation agencies' efforts to implement innovative mobility management strategies, while utilizing business models originating in the private sector.

ongoing efforts to continuously evolve to meet the needs of our community and changing technology.

## Providing Equity and Opportunity

Public transportation provides a ladder to opportunity for millions of Americans and is one of the most direct ways to address income inequality. **One out of five** transit users are from households earning less than \$15,000.<sup>4</sup> One of the fastest growing job segments in the U.S. is late-shift work that begins between 4 p.m. and 6 a.m. Late-shift workers make 14 percent less than their daytime peers and are more likely to be people of color.<sup>5</sup> Expanding public transit service to the late shift is critical to increasing workforce opportunities. Although late-shift public transit commuters represent a small share of today's late-shift workforce, they already have a large economic footprint: These workers bring home \$28 billion in wages per year and facilitate an estimated \$84 billion in annual sales. Furthermore, there is significant demand for housing near transit which points to a need for more transit-served communities.<sup>6</sup>

## Toward Cleaner Air

Investing in public transit is an investment toward cleaner air. There is a dramatic shift underway in our industry and APTA members are at the forefront of transitioning to cleaner fuel sources.<sup>7</sup> Currently, **more than 56 percent of transit buses use alternative fuels**, with more than 17 percent of those vehicles utilizing hybrid-electric technology. Today, there are nearly 300 electric buses in service with hundreds more electric buses on order.

Communities that invest in public transit reduce the nation's carbon emissions by 37 million metric tons annually. Overall, public transportation saves the U.S. 4.2 billion gallons of gasoline annually. As new and cleaner technologies become available, the public transit industry is poised to lead in adaptation.

There are always challenges to adoption of new technologies. For public transit agencies transitioning to electric buses, these challenges have included larger up-front costs and the range of the vehicles. Public transit agencies are beginning to integrate zero-emission buses into their fleets and are setting goals for 100 percent zero-emission bus fleets in future years. Federal grant programs have been vital resources for public transit agencies nationwide in acquiring new zero-emission vehicles. APTA urges significant funding increases for programs,

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<sup>4</sup> APTA, *Who Rides Public Transportation* (January 2017).

<sup>5</sup> APTA, *Supporting Late-Shift Workers, Transportation Needs and the Economy* (September 2019).

<sup>6</sup> APTA, *The Real Estate Mantra—Locate Near Transit* (October 2019).

<sup>7</sup> APTA, *Public Transit Leading in Transition to Clean Technology* (November 2019). Transitioning a fleet to electric buses requires significant work, planning, and negotiation with utilities to ensure that the infrastructure and capacity exist to support the fleet. There are numerous examples of transit agencies adopting these new technologies, each with a different process and relationship with their local utilities and with infrastructure providers.

such as Buses and Bus Facilities competitive grants and Low or No Emission competitive grants, that can support zero-emission infrastructure.

SORTA is currently working on a long-term no emissions strategy and has applied for LowNo grant funding to begin the implementation of a no-emissions fleet, specifically through six no-emissions electric buses and the related infrastructure and charging equipment.

Again, I thank you for your time and consideration on the matter.