



**Testimony of the
Amalgamated Transit Union
Before the United States Senate Banking, Housing and
Urban Affairs Committee
On the Reauthorization of *The Safe, Accountable,
Flexible, and Efficient Transportation Equity Act - A
Legacy for Users* (SAFETEA-LU)**

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Mr. Chairman and Members of the Committee, thank you for the opportunity to testify today on behalf of the Amalgamated Transit Union (ATU). My name is Phil Madonna. I currently serve as Chairman of the Amalgamated Transit Union's (ATU) State Legislative Conference Board here in Connecticut.

ATU is the largest labor organization representing public transportation, paratransit, over-the-road, and school bus workers in the United States and Canada, with more than 185,000 members in over 270 locals throughout 46 States and nine provinces. Here in Connecticut, we represent more than 2,000 active and retired members in the transit, paratransit, intercity, and school bus industries. In addition to New Haven, which is where I am based, we represent the workers in Hartford, Stamford, New London, Bridgeport, Mystic, South Windsor, Derby, Danbury, Milford, and Rocky Hill. My Local, ATU Local 281, was chartered in 1902, and most of our local divisions throughout the state were established well before the creation of Connecticut Transit (CTTRANSIT).

For more than 100 years, ATU has been proud to serve the mobility needs of Americans, playing an important role in most legislative efforts affecting the public transportation industry during the past century, from requiring closed vestibules for streetcars in the 1890's, to the creation of a federal role for public transportation in 1964, to passing the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Transportation Equity Act for the 21st Century (TEA 21), which recognized that local communities should be primarily responsible for the transportation choices that ultimately affect them. Our century-long commitment to transit safety and security issues has led to many of the innovative improvements within the industry, including better bus designs and braking systems, exact fare, and federal penalties for assaulting public transportation workers. And, we have championed the need for increased funding and expanded service at the federal, state, and local levels.

We are pleased to offer our views on the upcoming surface transportation reauthorization bill, which are summarized in our comprehensive proposal, entitled "*We Can Get There From Here.*" Our ten-point plan calls for increasing transit funding, developing programs to increase ridership, creating transit workforce development programs, improving paratransit services, as well as other critical steps that the federal government can take to improve the delivery of transit here in Connecticut and nationwide.

However, given the current funding crisis facing public transportation systems used by Connecticut residents as well as others across the nation, I will today focus my attention on just two issues: the need for federal transit operating assistance and ways that we can encourage states and local governments to invest more in transit.

Transit in Crisis

Record high gas prices in 2008 caused millions of people to try public transportation, and despite the recent drop in the price of oil, many transit systems continue to report capacity issues. Americans took 10.7 billion trips on public transportation in 2008, the highest level of ridership in 52 years and a modern ridership record. This represents a four percent increase over the number of

trips taken in 2007 on public transportation. Yet, ironically, at a time when Americans are leaving their cars at home like never before, public transportation systems are being forced to implement painful service cuts and fare increases and lay off workers because of shortages in state and local revenues.

Fare Increases, Service Cuts

All across the nation, transit systems are reluctantly carrying out some of the steepest fare increases and deepest service cuts in recent history. Unfortunately, we do not have to look very far for examples of drastic cuts that are hurting middle class families. The New York Metropolitan Transportation Authority (MTA) has announced that it will consolidate late-night Metro-North train service to Stamford and other Fairfield County towns and end New Canaan ticket window service. The proposal would also eliminate two weekday afternoon trains between New Haven and Grand Central Terminal that stop at Stamford. The agency is also set to raise subway and bus fares to ease its budget woes, inflicting pain on thousands of Connecticut residents who commute to New York. Meanwhile, Connecticut's Metro-North customers regularly complain about too few seats aboard rush-hour trains, a lack of heating and air conditioning and a shortage of station parking on the New Haven Line.

Furthermore, even though businesses are sprouting up along the Route 25 corridor from Danbury to Bridgeport, there continues to be a major gap in transit service. The proposed Danbury-Bridgeport bus line, which would have cost \$1.4 million to create, was one of several candidates for \$5 million the state planned to spend on bus service enhancement in 2009. But faced with a state budget deficit that grew to about \$350 million, Governor Rell last fall recommended that the state postpone the much-needed plan to enhance the state's commuter bus lines. Housatonic Area Regional Transit, based in Danbury, proposed the Danbury-Bridgeport service, which it would have run in tandem with the Greater Bridgeport Transit Authority. But without the operating revenue to run the service, two of the largest cities in western Connecticut will continue to have no public transportation between them.

And no one is immune from the cuts. Here in New Haven, transit district officials announced plans last fall to scale back the hours and eliminate Sunday service for the Regional Rides Program because of a budget shortfall. The service, which offers door-to-door transportation for elderly and disabled residents in 13 area towns, is facing a deficit. These cuts were necessary despite the program's overwhelming success – the number of riders doubled from 10,000 in 2006, the program's first year, to 20,000 by the end of 2008.

Working Families Hurt the Most

Nationwide, fare increases are having a devastating affect on working families. Between the increased price of food, health care, energy costs, and other everyday necessities, middle class families are getting squeezed like never before. Americans, especially seniors living on fixed incomes, simply cannot afford transit fares in the neighborhood of private taxis. In October, 2008, for example, Bridgeport was forced to raise base fares from \$1.50 to \$1.75 and day passes from \$3

to \$4.

And as if the fare increases are not enough, the service cuts may actually be worse. Generally, when routes get cut, transit systems tend to look towards those with low ridership – early morning, late night, and weekend service. People who work non-traditional hours, typically minorities who have no other means of transportation, are disproportionately affected. The single mom who now gets her kids up at 4:30 in the morning to catch two buses in time to get her children to daycare and then herself to work cannot be expected to wait an additional hour for that transfer bus to arrive, standing in the freezing cold with two kids in tow. But that is exactly what is happening out there. Our drivers nationwide have seen it firsthand.

Operating Assistance is Needed

Throughout the United States, our buses are overflowing with passengers. As mentioned above, the people who turned to transit to beat the high cost of gas in 2008 are sticking with us. Ridership is at a 50-year high.

That is the good news. The bad news is that the transit industry cannot handle the increased demand. Our members report having to leave people behind at bus stops because vehicles are at capacity. In Chicago, they were recently tearing out seats on subway trains to make room for more people. As one CTTransit official said last year during the height of our most recent fuel crisis, "If suddenly ridership were to increase by 25 to 30 percent overall, we'd be really, really struggling."¹ Indeed, some Connecticut routes will soon be on a standing-room-only basis, if they are not there already.

But instead of adding new service to meet increased demand, transit systems are being forced to do the exact opposite – they are cutting routes and punishing people for leaving their cars at home by increasing fares.

Mr. Chairman, I hope the members of the committee can see how ridiculous the current situation is. Ridership numbers are going through the roof. We have a tidal wave of new passengers, more farebox revenue, basically every general manager's wildest dream come true. We could not have asked for a better situation. Yet in many places – not all but many – we find ourselves unable to cope with the change in Americans' travel habits.

The question is: why? The answer is simple. It is about money. State and local tax revenues are way down. Wildly fluctuating fuel and energy prices and insurance costs are busting transit agency budgets.

¹*Transit at Capacity*, Connecticut Post Online (Bridgeport, Connecticut), June 27, 2008.

Unfortunately, this problem will not be solved by simply appropriating more capital dollars. Even if the federal government provided CTTRANSIT and other systems with enough money to double the size of their existing fleets, the agencies would probably have to keep a good portion of those buses in the garage.

Transit systems simply do not have the operating money to run their current fleets. Current law generally prohibits most major transit systems from using their Federal Transit Administration (FTA) funds for operating assistance. Therefore, as a result, we are cutting service at a time when people are turning to transit in record numbers! This is insane!

Transit systems need flexibility in the use of their federal funds so they can stay afloat and avoid balancing their budgets on the backs of working people – transit riders and employees – who do not have any more to give. People are paying more and getting much less. This has to stop!

Given the challenges faced by transit systems from coast to coast, **ATU supports giving local transit systems the option to use their FTA funds for operating purposes. At a minimum, we recommend that the committee consider allowing fuel and energy costs to be classified as capital expenses.**

Encouraging State Investment

Of course, there is more than one way to generate more operating assistance for transit agencies. One way (as discussed above) is to change the federal rules. Another is by **encouraging states and local communities** – which bear the bulk of the responsibility for funding transit operations – to invest more.

Too many states are shortchanging transit at a time when their residents are looking for more travel options. Just seven states are responsible for more than 80% of all state transit funding. The other states fund transit at an average of just over \$42 million annually. In fact, nearly one fifth of states fund transit at less than \$1 million annually, and four states do not provide funding at all.²

In recent years, the lack of state funding has caused transit crises in a number of areas. For example, State Legislatures and Governors in California, Illinois, Massachusetts, Ohio, Pennsylvania, and Rhode Island, among others, have had to consider so-called “rescue” packages just to avoid massive service cuts, layoffs, and fare increases.

In addition, even as the federal surface transportation program has sought to become more flexible – allowing states to use federal highway funds for transit projects, and transit funds for highway

²California, Illinois, Maryland, Massachusetts, Pennsylvania, New Jersey, and New York provided \$7.7 billion of the \$9.5 billion that states appropriated for transit in 2005. *Survey of State Funding for Public Transportation – 2005*, prepared by the U.S. Department of Transportation Bureau of Transportation Statistics.

projects – the states have not followed suit with respect to the use of their own funds. Thirty-four states still restrict *all* highway trust fund resources **solely for highway purposes**. While 23 states have such restrictions in their state constitutions,³ 11 are limited in their use of transportation funds due to long-standing statutory provisions.⁴

The federal government needs to play an active role in leveraging state and local investment – encouraging states and local governments to invest in public transportation. Generating more non-federal revenue is the key to putting more transit service on the streets.

ATU recommends the establishment of the “*Flexibility Incentive Grant*” (FIG) program within the FTA.⁵ This program would provide additional federal surface transportation dollars to states that increase their own level of funding for bus, rail and ferry services.

Some states (like Connecticut, see below) are already investing in public transit, and they would be rewarded for doing so under this program. Other states which have not yet seen the benefits of expanded bus and rail service would be given an incentive to invest in more than just new highway construction. Under this bill, everyone wins.

The FIG Program would allocate federal transportation funds to states that (1) *increase* spending on public transportation; 2) *create* a transportation trust fund that distributes funds for public transit; or 3) *unlock* their existing highway trust fund by distributing transportation dollars for both highways and transit.

The money allocated under the FIG program would be **bonus** money – so it would not impact formula or capital funds received by urbanized areas or states from other federal transit programs. And, as the name of the program suggests, the federal dollars awarded through this new program would be flexible, meaning that they could be used by states for any highway or transit project.

In summary, if a state increases its level of spending on public transportation, then it receives extra federal surface transportation funds that it may use as it sees fit. Significantly, under the proposed program, other non-federal resources (local government funds) may also be counted towards the states’ total.

³See the state constitutions of Alabama, Arizona, Colorado, Georgia, Idaho, Iowa, Kansas, Kentucky, Maine, Minnesota, Missouri, Nevada, New Hampshire, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Utah, Washington, West Virginia, and Wyoming.

⁴See highway-only statutes in Alaska, Arkansas, Florida, Hawaii, Indiana, Mississippi, Montana, Nebraska, New Mexico, South Carolina, and Tennessee.

⁵As provided under H.R. 1827, 111th Congress.

The idea is derived from a recent federal highway program which granted federal transportation dollars to states as a reward for increasing their level of seatbelt usage, based on a national average.

Similarly, the FIG Program would award flexible transportation dollars to states on the condition that they raise their level of spending on public transportation.

This is a new concept for the federal transit program. Rather than simply granting funds to states and cities on the condition of a nominal local match, we would be providing them with a real incentive to put some of their own resources towards expanding public transit services. State and local transportation funding needs to become more flexible. We can make that happen with a federal incentive – a FIG grant.

Connecticut Would Fare Well Under the FIG Program

In 2006, the state legislature passed a \$2.3 billion transportation package which would fund mass transit improvements across the state without requiring tolls or increasing the gas tax. The bill authorized the state to issue up to \$1 billion in special tax obligation bonds for the projects. The prior year, lawmakers approved the Governor's 10-year, \$1.3 billion initiative, which included money for new rail cars for Metro-North, and 25 new CTTRANSIT buses.

If the FIG program had been in place during that period, Connecticut would have been rewarded with bonus federal transportation dollars for funding public transportation at the state level.

ATU supports the establishment of the *Flexibility Incentive Grant (FIG)* program within FTA to encourage states to invest in public transportation.

Conclusion

Before Congress makes decisions on new policies and revenue streams for the SAFETEA-LU reauthorization bill, it must first set its priorities. Most importantly, what is the overall goal of our surface transportation program?

Do we want to remain stuck in endless traffic jams, polluting our air, and wasting billions of dollars on fuel that we purchase from Middle Eastern Nations that raise the price of oil at their pleasure? Or, are we ready to provide Americans with new public transportation options that can help us to save our planet, reduce our dependence on foreign oil, and spend more time with our families?

Based on recent trends, ATU and its allies believe that Americans are ready to modify their travel habits and embrace transit like never before. Congress can help facilitate these overdue changes through the creation of bold, well funded, and innovative programs.

Without question, hard choices are going to have to be made along the way, and the cost will be enormous. However, the potential to improve our quality of life and preserve this world for the next generation should guide us through the substantial challenges that lie ahead.