Testimony Of

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Before the

Subcommittee on Housing, Transportation and Community Development

of the

Senate Committee on Banking, Housing, And Urban Affairs

On The Federal Transit Administration's New Starts Program,

"A Fresh Start for New Starts"

June 3, 2009

Submitted by:

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Introduction

Mr. Chairman and Members of the Subcommittee, on behalf of Dallas Area Rapid Transit (DART) and the American Public Transportation Association (APTA), we thank you for the opportunity to testify before you today and to submit our written testimony on the Federal Transit Administration's (FTA) New Starts program. The New Starts program, which provides essential funding to cities like Dallas, Salt Lake City, Charlotte, Phoenix and Portland who seek to improve mobility and air quality by establishing new transit services needs a "fresh start". Changes must be made to the program that will help streamline the federal transit program, reduce administrative burdens on transit agencies and help speed project delivery.

About APTA

APTA is a nonprofit international association of nearly 1,500 public and private member organizations. This includes transit systems and high-speed, intercity and commuter rail operators; planning, design, construction, and finance firms; product and service providers; academic institutions; transit associations and state departments of transportation. APTA members serve the public interest by providing safe, efficient, and economical transit services and products. More than 90 percent of the people using public transportation in the United States and Canada are served by APTA member systems. I have the pleasure of serving as the Vice Chair – Rail Transit of this great organization.

About DART

Dallas Area Rapid Transit (DART) provides direct access throughout Dallas and 12 surrounding cities with modern public transit services and customer facilities tailored to make each trip fast, comfortable and affordable. Our extensive network of bus and rail services moves more than 220,000 passengers per day across our 700-square-mile service area.

To promote ridesharing, we also operate a system of high occupancy vehicle (HOV) lanes allowing carpoolers to bypass freeway traffic jams. More than 145,000 commuters use our HOV lanes each weekday.

Through 2013, the DART Rail System is slated to double in size to 90 miles. With $700 Million in assistance from the New Starts program, DART is currently constructing the Green Line from Southeast Dallas to the northwest through downtown Dallas, past the American Airlines Center, the Dallas Medical/Market Center, and Love Field Airport, to the cities of Farmers Branch and Carrollton. At 28 miles, this is the longest light rail construction project underway in North America. Revenue service on this corridor will begin September 14 of this year. We will add light rail service to Rowlett, Irving and DFW International Airport between 2011 and 2013. A second alignment in the Dallas central business district will begin in 2016.

Current State of the New Starts Program

I thank the Subcommittee for allowing me to share our views on the New Starts program as you begin efforts to write the transit title of the next surface transportation bill. As this Subcommittee is well aware, we face extraordinary challenges as we look for ways to finance our transportation needs. The mass transit account of the Federal Highway Trust Fund is on a path to insolvency. While the transit account is in less immediate danger than the larger highway account, the balances in both are falling at a rate that will undermine their ability to support current obligation levels. We support maintaining the current basic federal transit funding structure: a separate Mass Transit Account (MTA) within the Highway Trust Fund, crediting the MTA with at least 20 percent of motor fuel taxes, and preserving the current 20 percent General Fund contribution to the transit program.

Even with that funding structure in place, the New Starts program needs a fresh start. Changes must be made to the program that will help streamline the federal transit program, reduce administrative burdens on transit agencies and help speed project delivery. Many of the agencies receiving these funds are in fast-growing regions. These agencies have to be creative, resourceful and nimble to respond to increased congestion and decreased mobility. In our area of North Texas, for example, we are again this year the fastest growing region in the United States. Over the past decade we have added a million new residents – a trend that is continuing. This year commuters in our region will spend 60 hours stuck in traffic. We simply must build more transit infrastructure, and we must do so today.

With the assistance of both the FTA headquarters and regional office staff, DART successfully navigated the New Starts program for the Green Line receiving just under 50 percent of the federal project cost. The New Starts program provided DART with an additional funding source that allowed for the use of local dollars on other expansion projects, benefiting our customers and sustaining our capital expansion program.

As reported in the “New Starts Program Assessment” prepared by Deloitte Consulting in 2006 for FTA, the New Starts program submittal requirements or guidance changed several times during the development of the Green Line project. This led to $100 million dollars in additional finance charges and escalation costs as a result of continuing review, as well as 6-8 months of delay by FTA to review the regional travel demand model and user benefit calculation that did not significantly alter our findings. Nevertheless, the New Starts program is a valuable funding mechanism and should be continued, but with modifications.

We began development of the Green Line in 1998 and received our Full Funding Grant Agreement (FFGA) in July 2006. We made our first New Starts submittal in 2000 and made a subsequent submittal each year thereafter. We completed alternatives analysis in 13 months, preliminary engineering in 48 months and final design in 12 months. The additional time for preliminary engineering was directly related to resolving the alignment issue adjacent to Love Field Airport. All local parties wanted a direct connection via a tunnel and had identified the financial resources to pay for most of the cost that could have made for a better project. However, the additional capital cost had a substantial impact on our user benefit calculation that would have resulted in a “Not Recommended” rating. We strongly suggest that the cost calculation should only consider the federal project cost -- local sponsors should be able to add project features at their own expense without harming their cost-effectiveness rating.

The role that the FTA regional office plays in the New Starts process needs to be better defined and strengthened. It is through these staff that transit properties work on a daily basis and who have a greater understanding of the local issues and the purpose and need of a project. The regional staff has traveled the local corridors and has been stuck in the same congestion problems we are trying to explain to Washington. Regional staff members have ridden DART and understand the need for change and the value of the improvement. During the Green Line project, DART requested headquarters staff to come visit Dallas and see what we were describing and experiencing, but they were unable to do so. The local staff, who had seen the DART project first hand had to defer to headquarters because that’s where the reviews took place. It is cases like this one that point out the need for the regional office to have a stronger role in project review.

Recommendations for Improving the Programs Application and Evaluation Process

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) expires at the end of the current fiscal year.

As Congress considers a new authorization bill, APTA has developed a set of recommendations that calls for a significant increase in federal transit investment and improvements within the New Starts program.

Both DART and APTA urge Congress to provide FTA no less than $12.4 billion to fund public transportation programs, representing the first year's installment of public transportation investment. This level is consistent with APTA's recommendations for FY2010 under the next surface transportation authorization bill. APTA also recommends a significant increase in federal public transportation investment, with no less than $123 billion provided over the six-year period.

In addition to seeking an increase in funds, we recommend several key changes to the New Starts program structure. These changes will help streamline the federal transit program, reduce administrative burdens on transit agencies and help speed project delivery. These include:

- We encourage a simplified and streamlined review, rating and approval process for all New Starts projects. Projects are currently strangled in red tape, which unnecessarily delays project construction and increases project costs.
- Strengthen the role and involvement of the FTA regional office in the New Starts process including both reviews and determinations. The local office has a clearer perspective of local issues and how the transit improvements will benefit that specific community.

- Re-establishment of an exempt category of New Starts projects that require small amounts of funding.
- We support major reforms to the New Starts rating standard. The current standard, as implemented by FTA, does not adequately take into account the full range of benefits due to New Starts projects, especially land use, economic development and environmental benefits. In addition, the cost calculation should only consider the federal project cost -- local sponsors should be able to add project features at their own expense without harming their cost-effectiveness rating.
- Re-establish the Program of Interrelated Projects provision of the Intermodal Surface Transportation Efficiency Act (ISTEA). Local sponsors should be able to advance multiple projects simultaneously in such a program in order to reduce costs.
- Greater use of Pilot and Demonstration projects to acknowledge the fact that not all projects fit the requirements of the New Start programs. Our Central Business District Transit Study (D2) is an example. We need to provide for additional capacity in the core area, but do not currently meet the requirements of a New Start. We would like to work with FTA to develop and implement a Demonstration Project to develop new criteria for non-typical projects.
- There should be an opportunity to explore new ways to be flexible and responsive to changing conditions such as increasing fuel costs. As you know, transit agencies around the nation were challenged to respond to the dramatic ridership increases due to rising fuel prices. Perhaps a pool of emergency operating funds could be made available to support agencies as they deliver more service in response to an immediate need without extensive time lost in processing.

Summary

We face both remarkable opportunities and serious challenges in the days ahead. President Obama recognizes the central importance of our transit systems to our quality of life and the quality of our environment. He has spoken of the need to invest adequately and to invest efficiently. The President has stressed repeatedly the role that public transportation must play in reducing pollution, including greenhouse gas emissions, and moving towards energy independence by diminishing our reliance on foreign oil.

We look forward to working with the Subcommittee to make the necessary changes and investments to grow the public transportation program. We urge the Subcommittee to invest in public transit by authorizing the funds necessary to sustain the growing interest and value that public transit provides in communities across the country through the New Starts program. Finally, we support the efforts of Congress thus far to invest in a sustainable high-speed rail system and encourage your subcommittee to continue building upon the foundation established in the American Recovery and Reinvestment Act of 2009. It is an exciting time for public transportation and a critical time for our nation to continue to invest in transit infrastructure that promotes economic growth, energy independence, and a better way of life for all Americans.

Mr. Chairman, this concludes my presentation to the Subcommittee. I will be happy to answer any questions you have. Again, thank you for the opportunity to testify before you today.