

**Statement of
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Before the
Committee on Banking, Housing, and Urban Affairs
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Mr. Chairman and Members of the Committee, thank you for the opportunity to testify today in support of the President's Fiscal Year (FY) 2005 Budget for the Federal Transit Administration (FTA). We are looking forward to working with this Committee and with Congress to achieve the goals outlined in our budget request. This budget request reiterates a number of important elements of the Administration's surface transportation reauthorization proposal, including predictable funding through the formularization of most transit programs; an increased focus on results through a ridership-based performance incentive program; and increased attention to the needs of people who are most dependent on public transportation as a lifeline to jobs and community resources.

The President has proposed spending \$7.27 billion on transit programs in FY 2005, sustaining the record level of Federal investment in transit proposed by the President and enacted by Congress for FY 2004. Reflecting the President's desire to make transit funding more reliable and predictable, this budget proposes to redirect funding to reflect an increased priority on funding for rural communities and programs that serve people with disabilities, older adults, and low-income individuals who need better access to jobs and training opportunities in their communities. In addition, the President has proposed spending \$1.5 billion, a 16 percent increase over the FY 2004 enacted level, for the New Starts program. As American cities continue to grow, we believe that building and expanding transit systems through the New Starts program will be an important element of our Nation's efforts to grow our economy, promote energy independence, address congestion, improve emergency preparedness, and protect our environment.

Common Sense Transit Solutions

The hallmark of this Administration has been the pursuit of common sense transit solutions for all Americans. Over the last decade or more, a growing awareness of the needs of older adults, persons with disabilities, and people with low incomes has led to the creation of new programs throughout government – some are transportation programs, but many are human service programs that fund transportation services for their clients. As you know, in June 2003, the General Accounting Office identified 62 programs run by eight different Federal agencies that fund transportation services for individuals in these groups. Local governments, community groups, and non-profit

agencies have also stepped in to help address these important transportation needs. This growing and complex web of transportation services is, without question, a positive reflection of the increasing attention that community stakeholders, the Federal Government, and Congress have placed on meeting the needs of our Nation's most vulnerable citizens.

Ironically, this impressive investment of money, time and energy in public transportation has not solved the transportation problems of the people they are intended to help. Our communities have adopted a myriad of human service transportation networks, which to varying degrees involve transit agencies that provide fixed route or demand-responsive public transportation and paratransit services, non-profit agencies that operate transportation exclusively for use by their own clients, and human service agencies that provide funds to individual clients to purchase transportation services. Unfortunately, in most communities, making sense of these complicated networks is a difficult task that is still left to the customer. Typically, each agency that provides transportation has its own rules, billing practices, customer entry points, destinations, and routes. In some communities, two or more agencies run essentially the same route each day; but they may be permitted to serve only older adults or people with disabilities, not both, so they cannot pool their resources. Sometimes, one agency duplicates another group's service simply because it does not know what the other agency is doing. In still other cases, common sense transit solutions, such as the sharing and coordination of transit resources, are foiled by conflicting grant restrictions and requirements. In these situations, more can become less for the people who need public transportation and must navigate a dizzying array of agencies and requirements to access work, medical care and community events.

Improving the coordination of human service transportation is one of the top priorities for the President, Department of Transportation Secretary Mineta and for the Federal Transit Administration (FTA). On February 24, President Bush signed Executive Order 13330 bringing 10 Federal agencies together on the Interagency Transportation Coordinating Council on Access and Mobility, and charging them with the tasks of eliminating duplication and overlapping federal programs and improving the coordination of federally supported transportation services at all levels.

The Executive Order was announced at the first ***National Leadership Forum on Human Service Transportation Coordination***, convened by Secretary Mineta and his counterparts in the U.S. Departments of Labor (DOL), Education (ED) and Health and Human Services (HHS) – Secretaries Chao, Paige, and Thompson – to provide technical assistance to States and recognize those States that have already taken significant steps to improve human service transportation. Before an audience that included Governor-appointed senior leadership teams from 47 States and U.S. Territories, Secretary Mineta honored five States – Florida, North Carolina, Maryland, Ohio, and Washington – that have made significant progress toward building a coordinated human service transportation system.

Improving human service transportation coordination is also a key component of FTA's Strategic Business Plan, and I have assembled a team to work on it full-time with our partners in agencies across the Federal Government. Already, we have launched ***United We Ride***, a five-part initiative that encourages the coordination of transportation services for people to access health care, employment and employment-related services, and other community resources. In addition to the ***National Leadership Forum*** and ***State Leadership Awards***, the ***United We Ride*** initiative includes:

- ***A Framework for Action.*** Created by a panel of experts that convened in August 2003, this self-assessment tool will help States and communities identify areas of success and areas where they still need to take action to improve the coordination of transportation provided through human service programs, as well as traditional public transportation.
- ***State Coordination Grants.*** Grants will be made available to States to help address gaps in their human service transportation coordination efforts. FTA has identified \$1 million for these grants in FY 2004.
- ***Help Along the Way.*** A technical assistance program that will build on the work of the Community Transportation Association of America (CTAA), Project ACTION, and other stakeholder groups to provide hands-on assistance to States and communities in coordinating their human service transportation programs.

The ***United We Ride*** initiative is but the latest in our efforts to make real progress toward improving the coordination of human service transportation programs. For some time now, the Department of Transportation has been working with its Federal partners at HHS, DOL, and ED to ease the Federal barriers to effective coordination. We have made progress. Under the leadership of the DOT/HHS Coordinating Council on Access and Mobility, for example, we opened the door for Medicaid funds to be used to purchase public transportation passes. Further, working with our colleagues at DOL, funding relationships have been forged between employment-related transportation programs operated by the two departments.

The DOT/HHS Coordinating Council has also been vigorous in sponsoring technical assistance for States and communities that seek to improve coordination of their human service transportation systems. HHS and DOT jointly fund the National Transit Resource Center that make available experts and peer-to-peer assistance on human service coordination, and disseminates best practices and other resource materials. Earlier this year, HHS and DOT published guidance on coordinated human service planning practices.

As we did by hosting the ***National Leadership Forum***, we have also recognized the important leadership role that State governments must play in promoting and coordinating transportation services. We have encouraged and supported the formation

of the National Consortium on the Transportation of Human Services Coordination to facilitate collaboration among State and local organizations. CTAA has taken a leadership role in the consortium. The consortium now comprises 17 national organizations with an interest in human services and transportation – including the American Association of Retired Persons, National Governors Association, Paralyzed Veterans of America, National Association of Area Agencies on Aging, and the National Conference of State Legislatures.

The FTA FY 2005 budget request and the Administration's SAFETEA proposal for reauthorization of surface transportation programs include some important elements that will further promote human service transportation coordination. I am pleased to note that the Committee's reauthorization bill (S. 1072), as passed by the Senate on February 12, incorporated many of these key program components, including provisions that require local prioritization plans for projects to service older adults, persons with disabilities and low-income individuals; increase planning resources and create a new planning capacity program; make mobility management an eligible expense; and permit other Federal social service transportation dollars to count toward the local match for FTA programs targeted to older adults, persons with disabilities, and low income individuals.

Like the States and communities that have already begun the tough work needed to accomplish better transportation coordination, as Federal officials, we know that this work will reap mobility benefits far into the future, helping to ensure that every American has the transportation necessary to access community life, services, and the economic opportunities of this great Nation.

Finally, I want to thank Chairman Shelby for his leadership and support of our efforts to improve the coordination of human service transportation. In Alabama, he has promoted public transportation as a vital link to employment services for individuals with disabilities and low-incomes as part of the Job Access and Reverse Commute Program. Nationally, he has worked to keep this issue at the forefront of the Nation's agenda, and was an important champion of the *United We Ride Leadership Awards* program.

New Starts

The President's FY 2005 budget provides \$1.5 billion, a record level of funding, for the New Starts program. This budget is a reflection of the Administration's strong commitment to continued Federal investment in major transit projects that are cost-effective, locally supported, delivered on time and within budget, and achieve their promised transportation benefits. It is a \$216 million (16 percent) increase over the FY 2004 enacted level and reflects the specific project funding recommendations found in FTA's Annual New Starts Report for FY 2005.

In addition to funding the 26 existing and one pending full funding grant agreements (FFGA), the budget funds seven additional projects -- five that are expected to be ready for a new FFGA before the end of FY 2005 and two meritorious projects in

Raleigh and Charlotte, North Carolina. These project sponsors are working on possible design changes intended to improve ridership that may have an impact on project costs. They are working closely with FTA to ensure that their final proposals deliver the most benefits for the taxpayer dollar.

These seven additional projects recommended for funding were among 29 that were evaluated and rated in the FY 2005 Annual New Starts Report. Of the 29 that were rated: 17 received “recommended” ratings (including the seven funded in the President’s FY 2005 Budget); 7 received “not recommended” ratings; and 5 were “not rated” because complete, accurate data needed to rate the project was not yet available from the project sponsor.

In the FY 2004 process, FTA implemented a time-savings measure to replace “number of new riders” in the calculation of cost-effectiveness. For the FY 2005 New Starts rating process, FTA made no changes in measures, break-points for ratings, or weightings among measures in the determination of ratings. However, we continue to focus on helping project sponsors develop good projects that are brought in on time and within budget, and that deliver the promised benefits. With an increased focus on ensuring a good return on investment, proactive project cost management by FTA and project sponsors resulted in a total savings of \$673 million for seven proposed investments. One new tool we are using is a quantitative risk assessment that helps project sponsors identify the issues that could affect schedule or cost, as well as the probability that they will do so.

Originally developed to help manage the Federal Government’s risk with regard to the 100 percent Federally-funded Lower Manhattan Recovery projects, this risk assessment tool has given both FTA and project sponsors a new quantitative means to manage risk more explicitly and reduce the likelihood of cost and schedule overruns. We are currently conducting risk assessments for those projects that are further along in project development, but will eventually use this important tool to assist sponsors with projects in alternatives analysis and preliminary engineering. We know that the earlier project sponsors identify and understand the ramifications of alignment, design, engineering, and other decisions, the better our projects will be, and the fewer undesirable “surprises” communities will face in later stages of development. We believe this tool will be particularly useful as FTA responds to Congress’s request that we become more involved in project assessment during the alternatives analysis stage.

Enhancing Transit Security

The President’s FY 2005 budget also reflects a continued commitment to making our public transportation systems as safe and secure as possible. In FY 2005, we request \$37.8 million for security initiatives, which remain a high priority. This reflects the one-percent of Urbanized Formula Grant funding grantees are required by statute to use to increase the security and safety of an existing or planned mass transportation system, as well as FTA investments in security training for transit system employees, emergency preparedness and response activities, and public awareness efforts.

As you know, public transportation is inherently an open, accessible system intended to help people move rapidly and efficiently everyday between home and work, shopping, medical care, and other community activities. While our Nation's approach to security is necessarily different in this environment than it is in the relatively closed environment of airline security, we have pursued increased security no less vigorously.

In light of recent events in Madrid, I believe it is particularly timely to discuss our efforts with respect to rail security. America has some form of rail transit (i.e., some combination of subway, light rail and/or commuter rail systems) in 30 cities and 22 States. These systems provide 11.3 million passenger trips each weekday. The systems are locally operated and controlled, and it is important to note that FTA does not provide operating funds for these systems.

As this Committee is aware, since September 11, 2001, FTA has undertaken an aggressive nationwide security program with the full cooperation and support of every transit agency. In each of these important rail cities, FTA has, in concert with the transit agencies, conducted risk and vulnerability assessments; deployed, at no cost to the transit agency, technical assistance teams to help strengthen security and emergency preparedness plans; and, as part of a \$3 million program involving 83 transit agencies, funded emergency response drills conducted in conjunction with local fire, police and emergency responders.

Based on the full complement of threat and vulnerability assessments that have been conducted, as well as consultations with security experts around the world, FTA has pursued a consistent strategy of promoting emergency preparedness planning, employee training, and public awareness as the best way to prevent and/or mitigate the consequences of a terrorist attack. Among other important steps, FTA has:

- Issued a list of the Top 20 Action Items for transit agencies, identifying the most important elements to incorporate into their Security System Programs. These elements formed the basis of one of four Core Accountabilities for FTA Senior Executives in Fiscal Year 2003, and I am pleased to report that the 30 largest transit agencies accomplished at least 80 percent of these action items. This year, our goal is to ensure that those agencies complete 90 percent of the action items and to help the next 20 largest transit agencies complete at least 80 percent.
- Developed the ability to communicate instantaneously with the general managers and heads of security of the 100 largest transit agencies. This communication system is tested and used on a regular basis to provide updates on incidents, as well as security information bulletins and advisories.
- Funded and worked on a daily basis with the public transit Information Sharing and Analysis Center (ISAC) operated under the auspices of the American Public Transportation Association (APTA), to provide two-way

communication between the intelligence community and the transit industry, as well as transit-specific intelligence analysis.

- Developed and launched “Transit Watch” in the fall of 2003. Transit Watch is a nationwide emergency response passenger awareness program, developed and implemented in partnership with the APTA, CTAA, the American Transit Union (ATU), and the Transportation Security Administration of the Department of Homeland Security (DHS).
- Developed and will deliver this spring, Security Design Criteria for use by transit agencies as they design or redesign infrastructure, communications, access control systems, and other transit system components.
- Developed and delivered new security courses through the National Transit Institute (NTI), including Counterterrorism Strategies for Transit Police, Conducting Emergency Drills, Passenger Monitoring and Awareness, as well as updated versions of transit security courses and security needs assessments.
- Developed and will deliver this spring a web-based training tool for use by communities to conduct table-top emergency preparedness drills to test agency procedures, share best practices, and identify needs.
- Tested and provided targeted manufacturers and key transit agencies with information on the costs and benefits of chemical and biological detection systems.
- Developed, in conjunction with Argonne National Laboratories, and distributed to transit agencies standard protocols and guidelines for responding to chemical and biological incidents in rail, tunnel and transit vehicle environments.
- Issued to transit agencies specific guidelines outlining steps to take at each Homeland Security Advisory Level.
- Have substantially completed development and will soon deliver, a passenger behavioral monitoring course that incorporates the latest in international counter-terrorism techniques. This course will heighten the effectiveness of the transit industry’s awareness training portfolio.

During the recent “Orange Alert,” the 30 largest transit agencies provided, at FTA’s request, information about the specific actions they were taking as a result. These actions include:

- Utilizing bomb-sniffing dogs to patrol bus yards and train repair facilities.
- Increasing police patrols and visibility of transit system personnel.
- Increasing frequency of public awareness messages.

- Sending reminders to all transit employees, including bus and rail operators, about what to look for and how to respond to suspicious packages and individuals.
- Maintaining all police specialty vehicles in a state of operational readiness.
- Conducting more frequent Operational Control Center critical system backup checks.
- Assigning transit police to the local police department command center.
- Participating in conference calls with the FBI and emergency management personnel from the region.
- Notifying rapid response team members of potential for call-up.
- Issuing pager and text message alerts to operators and police.
- Checking all security systems, including lighting and intruder alarms.

Consistent with the current alert level, most transit agencies are now operating under “Yellow Alert” guidelines. However, based on intelligence information, several large systems continue to operate at the higher “Orange Alert” level.

Finally, as you know, we continue to work directly with the DHS, particularly in the area of intelligence analysis. As you may know, this fiscal year, DHS is funding \$675 million in security grants through States to urban areas based on a formula that takes into account factors including critical infrastructure, population density, and credible threat information. These funds may be used to enhance overall security and preparedness in order to prevent, respond to and recover from acts of terrorism. In addition, DHS is providing a total of \$50 million to 30 rail transit agencies to help enhance the security of their passengers and assets. Allowable uses of these funds include the installation of physical barricades; monitoring systems such as video surveillance, motion detectors, thermal/IR imagery, and chemical/radiological material detection systems; integrated communications systems; and prevention planning, training, and exercises.

Despite the complete devastation of three subway stations and over 1,500 feet of track in Lower Manhattan on September 11, no passengers or subway personnel lost their lives in the attacks, thanks to the training and quick thinking of train operators, dispatchers, and transit managers. Today, I am proud to say that America’s subways, light rail systems, and commuter trains are even better prepared to help prevent and respond to such emergencies.

Conclusion

Mr. Chairman, the President’s Fiscal Year 2005 budget proposal for transit programs is fiscally responsible and programmatically responsive to the needs of transit consumers. I would be pleased to answer any questions the Committee may have.