

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 Robert Molofsky. I have been General Counsel for the ATU since 1996. Prior to becoming General Counsel, I served as ATU's Legislative and Political Director for 15 years.

The Amalgamated Transit Union is the largest labor organization representing public transportation, paratransit, over-the-road, and school bus workers in the United States and Canada, with nearly 180,000 members in over 270 locals throughout 46 States and nine provinces.

For 111 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 Bush Administration's surface transportation reauthorization proposal, the *Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003 (SAFETEA)*, while also presenting some of ATU's core principles in connection with TEA 21's renewal.

OVERVIEW

SAFETEA is certainly a thoughtful and creative document, which generally keeps current federal transit programs intact. It also recognizes that we are well beyond the debate of whether to link the transit programs with the federal highway programs by seeking an integrated transportation planning process. The proposal serves as a suitable platform from which to launch the discussion of which programs should be retained and what other new initiatives should be created.

Nevertheless, because the legislation is so **incredibly underfunded**, the many laudable goals set forth in the Administration's bill simply will not be able to be met. Most significantly, despite its logo – "SAFE"TEA – the legislation falls well short of providing the resources necessary to continue the provision of safe and secure transit service for the millions of Americans who rely on public transportation each day.

Finally, the bill would eliminate or consolidate a number of very important and successful programs, and curtail some crucial program requirements, including certain labor requirements, without any justification. ATU has major concerns regarding the Administration's proposals relating to (1) the Bus Capital Program; (2) federal matching ratios for New Starts; (3) the Job Access and Reverse

Commute Program (JARC); (4) the structure of the New Freedom Initiative; (5) safety and security requirements; and (6) certain labor issues. We offer too a number of recommendations to improve the planning process, increase State transit funding, coordinate the delivery of specialized transportation services, and train personnel in connection with new technologies and maintenance requirements that are associated with keeping the nation's public transportation fleets in working condition.

BUSH ADMINISTRATION PROPOSAL

Funding

Mr. Chairman, in examining the Administration's transit proposal, there are two levels of funding to keep in mind: the proposed **guaranteed** levels for transit, and the proposed **fully authorized** levels (combined guaranteed and non-guaranteed authorization levels). Since Fiscal Year (FY) 1998, the federal transit program under TEA21 has been funded only at the **guaranteed** level on an annual basis (except in FY 1999 when the actual appropriation exceeded the guarantee by \$25 million). For example, for the current Fiscal Year, the program was funded at \$7.2 billion, the guaranteed level under TEA 21, rather than the fully authorized level of \$8.2 billion. If this practice continues, which is likely in the current fiscal climate, appropriators will continue to fund the program at the **guaranteed** level during the next six years.

Therefore, with regard to SAFETEA, it is only necessary to look at the Administration's proposed **guaranteed** levels for transit. We have attached a chart to the back of our full written testimony which indicates that for FY 2004, the Administration is proposing a guaranteed level of \$5.9 billion for the transit program, **which is a \$1.3 billion cut from the current Fiscal Year. The guaranteed funding level in SAFETEA for FY 2004 is 17.9% less than the guaranteed funding level in TEA 21 for FY 2003.** In fact, under SAFETEA, the Administration would not even reach the current level of spending by the **end** of the reauthorization period. **Guaranteed public transit funding would be 8% less in FY 2009 than it is in FY 2003!**

During the past two years, this Committee has conducted numerous hearings on the success of TEA 21's guaranteed, increased funding levels, and the impact the program has had on transit ridership, planning, and the overall growth of the nation's transit systems. The Administration's funding proposal, if enacted, would not only reverse these trends but also cripple our transportation system.

Ironically, because of its proposed devastating funding cuts for transit, the legislation which is called "SAFE"TEA would negatively impact the ability of transit systems to upgrade rolling stock and safety and security measures, causing the public transportation industry to jeopardize its reputation as the safest mode of surface transportation in the United States.

SAFETEA Eliminates Successful Programs; Creates Unnecessary New Programs

Under SAFETEA, the **Bus Capital Program** would be **eliminated**, and the **JARC Program** would be distributed by a formula. It is not clear why the Administration is recommending the elimination and consolidation of two of the most successful programs under FTA's jurisdiction. Under current practice, Congress selects specific projects for funding from requests submitted by eligible recipients. This process is the best way to ensure that large, medium, and small transit systems can replace equipment and provide much needed service in their communities. ATU supports maintaining the Bus Capital Program and JARC as allocated Programs.

SAFETEA would also create a **New Freedom Program** to provide grants to recipients for new transportation services and transportation alternatives beyond those required by the Americans with Disabilities Act (ADA) of 1990, including motor vehicle programs that assist persons with disabilities with transportation to and from jobs and employment support services.

ATU fully supports the principles set forth under this proposed program. However, the best way to achieve these goals is by expanding fixed route and paratransit services **in coordination with the already existing JARC Program**. Through the FTA, the federal government has already invested in ADA paratransit and JARC, and it would be more efficient to expand the JARC Program with an emphasis on people with disabilities than to allow separate special purpose systems to be subsidized.

In addition, the reauthorization of TEA 21 offers a real opportunity to tap into already available funds from other federal agencies. Public transportation can make a difference in how people get to jobs, health care, training, and other social services. Every dollar dedicated to human services transportation by transit agencies can be stretched further if **coordination** is implemented at the federal level and encouraged at the State and local levels.

In addition to ten DOT programs, there are at least twelve Department of Health and Human Services (HHS) programs that together are providing approximately **\$10 billion** annually to assist transportation systems to provide access for persons with special transportation needs. Moreover, the two major Department of Labor (DOL) programs – Welfare to Work and Temporary Assistance for Needy Families (TANF) – may also be tapped for transportation purposes. The potential benefits from coordinating transportation services can be significant. Benefits include increased service levels, better quality of service for riders, cost savings, upgraded maintenance programs, more professional delivery of transportation services, and safer transportation services.

Transit Security Issues

ATU applauds the Administration's proposal in SAFETEA to expand the definition of "capital project" to include not only capital security needs, but also non-capital, security-related training, and drilling, thereby authorizing formula grant expenditures for these purposes. While expanding the definition of "capital project" is a step in the right direction, there absolutely must be a separate, dedicated source of funds available to transit systems solely for security purposes, frontline transit employee training in particular.

According to a recent report by the General Accounting Office (GAO), issued in response to a

request from this Committee, the most significant challenge in making transit systems as safe and secure as possible is the difficulty financially-strapped transit agencies are having in obtaining sufficient funding. The American Public Transportation Association (APTA) estimates this funding need to be over \$6 billion. As I will discuss later in my testimony, Congress must call on the Department of Homeland Security to dedicate the necessary resources to assist transit agencies in their security efforts.

SAFETEA further proposes to authorize FTA to investigate security concerns and to withhold funding if necessary to compel a transit system to make necessary security improvements. While this proposal addresses an obvious need for FTA oversight and direction of security matters at transit agencies, it does not go nearly far enough to ensure that systems are taking all the necessary steps.

As we have stated to this Committee before, there must be specific legislative and regulatory requirements with respect to the equipment, technology, training and personnel needed to prepare, prevent and respond to any terrorist attacks or threats. The GAO recognized this need in its report, stating that “goals, performance indicators, and funding criteria need to be established to ensure accountability and results for the government’s efforts” (GAO-03-263). Failure to meet these minimum requirements should result in the withholding of FTA funds in an amount determined by the Secretary.

Equity Issues

Federal Matching Ratios

SAFETEA would statutorily set the maximum Section 5309 share for a New Starts project at 50 percent. The current maximum is 80 percent. Deputy Secretary Jackson has justified this recommendation by noting that “all forms of transportation must face the hard reality that Federal financial resources are not boundless and cannot fully fund every meritorious transportation need.” Yet, under SAFETEA, the maximum share for highway projects would remain at 80 percent.

Having identical matching requirements between the highway program and the transit program provides communities with the opportunity to decide on future transportation projects without having to consider the issue of the federal contribution. The Administration’s proposal violates the spirit of both ISTEA and TEA 21, which were structured to finally give communities an unbiased choice by placing highways and transit on a more equal playing field. The policy of allowing for an 80% federal match for highways while cutting the federal limit for transit New Starts to 50% is backwards thinking. A recent GAO report confirms that “officials from several MPOs stated that a cap on New Starts funds could influence their selection of highway over transit projects since the decisions are often affected by the availability of funds from various federal programs and which projects will receive the highest federal share” (GAO-02-603).

Congress should reject this approach. ATU supports preserving the federal-state/local funding matching ratio for transit New Starts at the TEA 21 level of 80%-20%, the same level that currently exists for highway construction, to ensure that communities can make their own choices about their

future transportation plans.

Commuter Benefits

Under current tax laws, the monthly cap on employer provided tax-free parking benefits is \$190, but the monthly limit on employer provided tax-free transit passes is only \$100. SAFETEA would do nothing to change this imbalance, which encourages people to continue to drive to work alone. This especially affects people who ride the nation's oldest and far reaching transit systems, where monthly fares to travel between suburban and urban areas reach well over \$100. Suburban bus, heavy rail, and commuter rail riders should be **rewarded** – not **penalized** – under the tax code for choosing to ride transit rather than driving to work.

Under the transit pass program, everyone wins. Employees do not pay federal income tax on transit commuter benefits, and employers can deduct their costs for providing such benefits, and avoid payroll taxes on such benefits, regardless of who pays. TEA 21 proved that when you pay people to ride transit, they will indeed leave their cars at home.

ATU supports raising the monthly cap on employer provided tax-free transit benefits to the level allowed for parking benefits to encourage more people to ride public transportation.

Labor Issues

The U.S. public transportation industry has experienced remarkable labor relations stability during the 40 years of the federal transit program. This has allowed transit employees to go about the business of their most important role: **Moving America Safely**. The basis for five decades of this labor-management partnership is Section 5333 (b) of Title 49 of the United States Code (formerly Section 13(c) of the Federal Transit Act), which states that when federal funds, most recently authorized under TEA 21, are used to acquire, improve or operate a transit system, there must be arrangements to protect the rights of affected transit employees.

Every surface transportation reauthorization bill enacted since 1964 has been linked to a strong labor policy that provides employee protections for public transit workers. Today, as in the past, ATU's support for reauthorization will be contingent on the continuation of those policies and their application to any new programs or innovative finance mechanisms created through the new bill. The value of this historic link between a strong transportation bill and sensible labor policy has been clearly recognized by the Administration, which has recommended the retention of the crucial Section 13(c) labor protections for the major Formula (49 USC 5307) and Capital Investment Grant (49 USC 5309) Programs.

SAFETEA would also apply 13(c) to the majority of the small and medium size programs under the current legislation as well as the proposed new FTA Programs. **However, SAFETEA raises serious questions on the mechanisms chosen to apply (and potentially waive) 13(c) in connection with such programs.** By proposing a new waiver process for labor protections in certain programs, the Administration's bill would create inconsistencies and **gaps in 13(c) coverage**

throughout the federal transit program

In 2000, this Committee requested an in-depth study of the Section 13(c) Program, embodied in a November, 2001, GAO report entitled ***Transit Labor Arrangements: Most Transit Agencies Report Impacts Are Minimal*** (GAO-02-78), which supports the ATU's long-held notion that the provision does not substantially delay the flow of capital for transit projects.

GAO surveyed more than 100 transit agencies in the U.S., who overwhelmingly reported that Section 13(c) has had only a minimal impact on (1) labor costs, (2) the ability to adopt new technologies, and (3) the ability to modify transit operations. In fact, more than 70% of transit agencies indicated that certain other federal requirements, such as compliance with the ADA, were far more burdensome than Section 13(c). Most significantly, the report notes that an overwhelming majority of the transit agencies have been satisfied with the timeliness of FTA's grant processing, confirming a 2000 GAO report which found that **98% of the DOL's applications were processed well within the two-month period required by the agency's new guidelines.**

Given the overwhelming conclusions of the GAO reports, we do not see the FTA's justification for proposing to curtail the labor protection requirements of the Federal Transit Act for certain existing and proposed new programs.

The Administration calls for the implementation of the DOL specially designed Warranty arrangement (in which grants are labor certified without a referral) and possible **waiver** options in connection with 13(c) for certain **existing** programs, such as the JARC Program, the 5311 Rural Program and the Over the Road Accessibility Program. In addition, the bill calls for a possible **waiver** of 13(c) for the **entire** 5310 (Elderly and Disabled) Program. SAFETEA would also create a possible waiver of 13(c) for **new** programs, such as the *Indian Reservation Rural Transit Program*, and the above mentioned *New Freedom Program*.

With regard to the JARC Program, under current law, entities receiving JARC grants must comply with the full transit-labor certification process under 13(c), with the exception of JARC grants to applicants serving populations under 200,000, which are labor certified by using the Warranty. There is no support or justification for changing the grant procedures under this program. Since the 1999 regulations were released, and the separate procedures were set for applicants based on population, there have been no problems regarding this program. The new time limits are working perfectly, and no JARC grants have gone unfunded because of 13(c). The current coverage should be maintained **without a new waiver option.**

Similarly, the Warranty has worked well under the 5311 Rural Program, and could be just as easily applied under the proposed Indian Reservation Rural Transit Program proposed as part of 5311. There is no reason for statutory language calling for a waiver regarding this program

Other Labor Issues

Also, SAFETEA would create a new *Intermodal Passenger Facilities Program* which perhaps

inadvertently **does not include 13(c) coverage**. The program, if enacted, should of course include 13(c) coverage. Moreover, without a properly funded bill, we do not support funding for this program from the Mass Transit Account.

Finally, the bill would allow DOT to waive 13(c) requirements for certain demonstration projects and projects involving new technology. There is no evidence of any demonstration projects or other projects involving new technology having been negatively affected by Section 13(c). In fact, the opposite is true. Section 13(c) is the basis for five decades of labor-management cooperation in the transit industry, allowing for major technological advances.

Charter Bus Service

SAFETEA maintains the current restrictions on public transit agencies that permit them to provide only a limited amount of charter service within their service areas and proposes to enforce these rules by allowing the Secretary to withhold federal funds in the event of a violation.

It is important that any revisions of the charter service regulations take into account the increasing concerns of those in both the transit and intercity bus industries that the existing rules are not only cumbersome and confusing, but are serving to create an adversarial method of decision making that is harmful to those seeking charter service. In addition, it must be recognized that while the current regulations grew out of concern that without restrictions, the allocation of federal funds to public agencies would create unfair competition with the private charter bus industry, private operators today are receiving significant amounts of federal funding as well.

Certain minimal exceptions have been established by FTA to respond to transit agency requests to serve elderly persons and individuals with disabilities. We support further efforts to reform the charter bus regulations to permit public agencies to provide, upon request, a limited range of charter bus service to non-profit and governmental organizations within their service areas.

Based on our discussions with public transit agencies and representatives from the private bus industry, we believe a new, more effective, streamlined set of regulations can be crafted which protect the economic interests of the private bus industry while at the same time allow public agencies to respond to community-based charter service requests.

Congressional support for this ongoing effort would greatly enhance the likelihood of an agreement between the parties and provide a basis for establishing sensible revisions.

ATU PROPOSAL

Mr. Chairman, the ATU's entire TEA 21 reauthorization proposal is included in this book, entitled *Next Stop: Real Choices*. Before I summarize the most important aspects of the proposal, I would respectfully request the entire proposal be made part of the record.

The proposal is a comprehensive plan which contains the ATU's recommendations on major policy, fiscal, and structural issues in connection with the federal transit program for the first decade of the 21st Century. ATU's reauthorization plan calls for the continuation of a strong federal role in connection with providing the resources necessary to maintain and improve the quality of America's public transportation systems.

While we consider all parts of the proposal extremely important, the following are the seven core principles and ideas that we believe should be an essential part of the reauthorization bill:

1) **INCREASED, GUARANTEED TRANSIT FUNDING** – ATU has joined APTA in its recommendation for increasing federal transit funding by **12% annually**, so that by FY 2009, the program would be funded at a guaranteed level of \$14.3 billion. In order to reach this level, ATU supports raising and indexing the federal gas tax as recommended by leadership of the House Transportation and Infrastructure Committee. ATU also supports bipartisan proposals to draw down reserves in the highway trust fund, and collect the interest on fund reserves.

In addition, we call for the preservation of the firewalls (for the entire federal transit program) that ensure *guaranteed funding* for the program on an annual basis. Moreover, we support maintaining the needs-based formulas which determine transit funding. Congress should reject any so-called “equity” proposals that would cap transit funding for any one State at a certain level or percentage. We also support increased funding for flexible transportation programs, such as the Congestion Mitigation and Air Quality Program (CMAQ), which have allowed communities to meet expanded transit needs where traditional funding sources have not been adequate.

Finally, Congress should **oppose** any transit funding proposals that would break the historic link between highway and transit funding and decrease transit's share of the federal motor fuel tax. For example, a draft proposal under consideration at the Senate Finance Committee would redirect gas tax funds currently earmarked for transit to pay for highway construction by decreasing transit's share of the gas tax to a half-cent. The rest of the federal transit program would be financed through an **unproven bond scheme**. Financing public transportation with bonds is a proposal to make an essential element of our transportation system dependent on an untested, destabilizing funding source.

This approach will require ever-increasing borrowing, at a greater cost to taxpayers, and destabilize future transit investments. Removing dedicated funds for transit undermines the long-term viability of our public transportation systems, ultimately placing the economy, metropolitan areas, transit-dependent populations, and air quality at risk. Further, separating the funding sources could erode the linked planning process, which addresses environmental issues affecting both the highway and transit programs.

The **guaranteed** funding provisions of TEA 21, which link transit funding to the **federal motor fuel tax**, have provided an unprecedented degree of stability within the public transportation industry since 1998. Ridership levels are at their highest point since 1960, and ATU membership has grown to more than 180,000, the highest in the 111-year history of our union. ATU certainly supports

increased highway funding and the equitable resolution of the donor-donee issue, but placing transit funding at risk is not the best solution.

2) FLEXIBILITY INCENTIVE GRANT (FIG) PROGRAM – ATU is proposing a new transportation initiative in connection with the reauthorization of TEA 21. The idea behind the program – named the ***Flexibility Incentive Grant (FIG) Pilot Program*** – is to provide incentives that would encourage States to establish new sources of revenue for transit projects and services and to reward States for creating more flexibility in the use of their existing transportation funds.

The FIG Program is also designed to encourage States to think twice before cutting transit funding in the face of rising fiscal pressures by providing “bonus” federal transportation dollars to those States that increase public transportation funding or take steps to increase funding. Significantly, States could use funds derived under the FIG Program for any highway or transit projects eligible for assistance under Title 23 or Chapter 53 of Title 49.

Under the proposed FIG Program, the Secretary of Transportation would be authorized to allocate \$5 million annually to each State that increases transit expenditures by at least 10% as compared to the previous fiscal year. If a State is already expending more than \$1 billion on public transportation, the Secretary would be authorized to allocate \$10 million to such State if it increases transit expenditures by at least one percent.

In addition, States would be eligible for grants on the condition that they create new dedicated sources of revenue for public transportation. Such sources may include the dedication of new State motor fuel taxes, sales taxes, interest on existing highway funds, motor vehicle excise taxes, tolls, loans to be made out of highway funds, or other sources of funding.

Finally, in order to encourage flexibility in the spirit of ISTEA, as continued under TEA 21, the FIG Program would authorize the Secretary of Transportation to reward States for amending their existing statutes or constitutions to allow funds that are currently restricted for highway purposes only to be eligible for transit projects and services as well as highway purposes.

The FIG Program would not affect existing formulas under which States receive transportation funds through Title 23 or Chapter 53 of Title 49; it would be a “bonus” program to be awarded in addition to any funds received through those sources. Also, the Program would be funded out of General Funds and therefore would not put further pressure on the Federal Highway Trust Fund.

The FIG idea is of course just one very small initiative in the context of the massive highway/transit bill. Nevertheless, ATU believes the idea has a great deal of merit because it seeks to unlock billions of dollars in State resources, each year, for public transportation, community and rural transportation, and ADA services. A draft legislative proposal is available for your review.

3) TRANSIT SAFETY AND SECURITY– This Committee well knows the severity of the security threat facing our nation’s transit systems today. Given that one-third of terrorist attacks worldwide target transportation systems and that transit systems are the mode most commonly attacked, it is

imperative that the federal government expand its role in securing transit systems - through the establishment of national standards for transit security and the provision of federal funds to assist agencies in meeting these standards.

Currently, only rail fixed guideway transit systems are required, as a condition of FTA funding, to adopt a safety and security plan. There is no similar requirement for transit bus systems. At a minimum, all transit systems, bus and rail, should adopt a security plan to be overseen and implemented by a system security committee, including both management and employee representatives, and all systems must provide security and emergency management training for frontline transit employees, including vehicle operators and maintenance employees.

Security training for frontline transit employees is not only necessary in today's environment, but is one of the most cost-effective measures that an agency can take to better protect the nine billion passengers riding transit each year, as well as more than 350,000 transit employees. Despite this, a recent survey of ATU members showed that 80% of respondents reported that they had not received any security training from the employer.

It must be recognized that frontline transit employees, including bus and rail operators and maintenance employees, are the eyes and ears of every transit system. These employees, with the appropriate training, can be crucial in deterring, diffusing and responding to serious security incidents that occur aboard their vehicles and within transit stations or facilities. In addition, transit employees are often the first line of defense in a terrorist incident, offering protection and much needed transportation away from terrorist targets and disaster sites. For these reasons, FTA should require all transit systems to provide comprehensive training for their employees on a regular basis. Training programs developed by the National Transit Institute in conjunction with FTA, APTA and the ATU are a good model of the type of training necessary.

As I noted in my comments on the Administration's proposal, financially-strapped transit systems across the U.S. have been unable to gather the resources to fund necessary security training and improvements. It is imperative that the Department of Homeland Security (DHS) and its Transportation Security Administration dedicate sufficient resources for such purposes.

Given the extensive expertise of the FTA and the countless security-related initiatives undertaken by the agency in the past few years, it is important that funding from DHS be distributed only after appropriate consultation and coordination with FTA, including analysis of FTA readiness assessments. In order to facilitate such coordination, Congress must call on DHS and FTA to enter into a Memorandum of Understanding expeditiously so that any available funds can be distributed effectively and efficiently.

4) A REAL VOICE IN TRANSPORTATION PLANNING – Unfortunately, transit riders, environmentalists, pedestrian and bicycle groups, businesses, transit workforce and industry representatives, and other individuals with a direct stake in transportation planning in reality have no *real* voice with regard to the metropolitan planning organizations (MPOs) that control their future. Under current law, MPOs, serving as the transportation planners for every U.S. urbanized

area with a population of more than 50,000, and determining the future of our communities for decades, are composed of only local elected officials, officials of public agencies that administer major modes of transportation, and appropriate State officials, often with competing political and transportation interests.

Although representatives of mass transportation authority employees, along with the general public, are given a *reasonable opportunity to comment* on long-range plans, they are not afforded a seat on the board, and they certainly have no voting rights. In fact, by the time riders, workers and residents are permitted to submit comments at all in connection with long-range transportation plans, extensive research and consultation with State representatives has taken place, and plans are already in their final stages. No opportunity to submit comments, or any other public procedure, is required during the drafting stages.

This is an outdated process. These constituency groups would, as intended in the original process, bring a real world and informed perspective to the MPO boards, with a real ability to be heard and effect the decision making process.

Public transportation workers in particular would be helpful on issues involving transit operations and the implementation of new technology. ATU supports the diversification of MPO boards, requiring MPOs to appoint transit workforce representatives, minority groups, transit riders, bicycle and pedestrian advocates, businesses, and others with a direct stake in the provision of public transportation services to sit on such panels, with the right to vote. We also support requiring the governors to appoint these representatives for statewide planning. Finally, we support the ability of the general public to view long-range plans and submit comments during the early research and development of such plans, rather than after a draft has been completed.

5) TRANSIT IN NATIONAL PARKS (TRIP) – Congestion in our national parks has reached massive proportions. The 384 units of the National Park System drew approximately 300 million visitors in 2001, and the National Park Service expects demand to increase by 500% over the next 40 years. The millions of Americans who escape urban congestion by visiting national parks each year are greeted by dim, hazy vistas and unhealthy air instead of the expansive views and scenery that have made these areas our national treasures.

The piecemeal approach to solving the serious congestion issues in our parks is simply not working. ATU supports the adoption of S. 1032, the *Transit in Parks Act* (TRIP), which would provide increased funding for mass transportation in certain federally owned parks, as part of TEA 21's reauthorization. Without question, this legislation begins to address the major congestion and environmental issues that currently exist in U.S. National Parks from coast to coast.

6) PUBLIC TRANSPORTATION WORKFORCE DEVELOPMENT PROGRAMS – While the transit industry has effectively focused on the development of rail infrastructure and rolling stock, there has been a lack of attention directed towards **training personnel** in connection with **new technologies** and **maintenance requirements** that are associated with keeping the nation's public transportation fleets in working condition. The public transportation industry desperately needs job

training and career ladder programs to provide workers skills necessary to carry out maintenance tasks in a cost effective manner. It also needs to provide training and technical assistance to individuals who are interested in commercial driving careers.

The *Transit Technology Career Ladder Partnership* (TTCLP) was launched in 2001 with a seed grant from the DOT and the FTA. Working through the nonprofit *Community Transportation Development Center*, the program has assisted local transit systems and unions to jointly develop transit training partnerships in five pilot locations. These locally sponsored partnerships have already raised eight times more State and local funding than originally invested by DOT in the pilot program. ATU and the Transport Workers Union call for the program to be funded at a level of \$1.76 million in FY 2004, to increase to \$2.5 million by 2009, as the program expands to more States. ATU supports TTCLP as an integral part of the reauthorization of TEA 21 to provide training and technical assistance to individuals who are interested in commercial vehicle driving, maintenance, or other careers within the transit industry.

7) **MEETING COMMUNITY TRANSPORTATION NEEDS** – As recommended by the Community Transportation Association of America (CTAA), the Committee should recognize that an increase in capital investment is long overdue for **rural and small-urban transit organizations**, which provide critical mobility services outside of America's largest regions. More than one-third of America's population lives outside of urbanized areas. The agencies involved in Section 5311 services enjoy strong community support, providing more than 340 million passenger trips per year. However, more funds are needed to keep up with expanding services. The existing fleet is **far older** than typical useful life projections, and agencies are falling behind vehicle replacement suggestions. Moreover, the reauthorization bill should address the **serious lack of services** in rural America, which impacts disproportionately on persons with disabilities and low-income people, who are particularly transit dependent. Thirty-two percent of all rural residents are classified as transit dependent, including 36% of all rural Americans living in non-metropolitan areas. Guaranteeing access for America's most transit dependent population should be a priority in the next reauthorization.

CONCLUSIONS AND OBSERVATIONS

In summary, ATU's message to the Committee is simple: TEA 21 has been an enormous success. Let's **build** off the progress of ISTEA and TEA 21 by **maintaining and increasing** the federal investment in the existing transit programs and policies that have forever changed the travel patterns of America's communities, both large and small.

Additionally, Congress should properly fund required security and employee training programs and

adopt appropriate new programs, especially those that have the potential to **encourage more transit investment** from non-federal sources, so that we may finally narrow the ever-widening gap between transit needs and transit investment. And finally, let's provide those with a direct interest in transportation services with a **real voice** and an **expanded role** in connection with transportation planning so that the ideals that were set out in ISTEA and TEA 21 may finally be realized.

We realize of course, Mr. Chairman, that without **adequate resources**, none of the reforms proposed by the Administration, the Members of this Committee, or any of the organizations represented on this panel can be fully reached. And, whether Members of Congress agree on the concept of a gas tax increase or not, it should at least be clear to lawmakers on both sides of the aisle and in both chambers that increasing the gas tax is the best possible way to meet the extensive highway and transit needs of this nation. Congress will not be able to solve the issues of donor-donoree distribution, training, safety, research and development, or underwrite service expansion unless the gas tax is increased. Otherwise, as is the case with the Administration's proposal, we will end up with a situation in which crucial programs will be eliminated or consolidated so that limited resources may be shifted elsewhere.

It is for these reasons that ATU supports raising the federal gas tax as recommended by leadership of the House Transportation and Infrastructure Committee. Each penny of the motor fuels excise taxes currently yields over \$1.7 billion per year, generating more than 80,000 jobs in the transportation industry, with about \$1.4 billion being deposited into the Highway Account of the Highway Trust Fund and \$350 million deposited into the Mass Transit Account. The federal motor fuels tax is currently 18.4 cents, and has not been raised since 1993.

With unemployment at an eight-year high and 1.7 million workers unemployed for more than six months, President Bush and the Congress should approve a plan that will create jobs in our communities and insure that our future transportation needs are met. As a bipartisan group of 43 United States Senators recently stated in a letter to the President, "a robust public transportation infrastructure is vital to continuing America's economic growth."

We believe it is time for a frank debate on this matter. It is not a contradiction to support the President's tax cuts while calling for an increase in gas tax revenues. Whether an individual earns more than \$300,000 or less than \$30,000 annually, each person gets the same seat on the bus or the train. Moreover, just as the new tax bill is a balance of tax cuts and loophole fixes, a transportation bill with a gas tax increase will net out as a gain for all taxpayers. Supporters of the tax cuts have said that eventually the money people save will wind up back in the economy. Similarly, a gas tax increase will put more cash in everyone's pockets – money saved from reducing the overwhelming burdens of traffic congestion. According to the Texas Transportation Institute, in 2000, congestion (based on wasted time and fuel) cost about \$68 billion in 75 urban areas. The average cost for each of the 75 urban areas was \$900 million. By providing for even just a nominal two cent gas tax increase, which would cost the average driver a mere \$12 per year, or 6 cents per day, we could

begin the process of redirecting at least a portion of that \$68 billion back into the economy.

We know that one mechanism alone cannot provide the necessary resources to maintain and improve the conditions of the nation's highway and transit systems. ATU has and will continue to support innovative finance mechanisms in addition to (but not in lieu of) the gas tax, such as State Infrastructure Banks, TIFIA, and bonds – with labor protections, including Section 13(c) and Davis Bacon, attached to directly funded projects as well as those funded in subsequent generations. However, just as Congress is striving for simplicity in the tax code, there is no substitute for the basic, time-tested method of meeting our transportation needs with funds generated directly out of the transportation system.

Without question, these are enormous challenges, and we are undoubtedly living in extraordinary times. Yet, ATU firmly believes that Congress has the means, the will, and the experience to achieve these crucial mobility goals. The transit industry, in cooperation with ATU, has certainly come a long way since the 1964 Federal Transit Act. However, the success of our efforts has produced new challenges that must be immediately addressed in order for us to sustain the progress that has been made. ATU looks forward to working with this Committee in meeting these challenges, so that we may continue to **Move America Safely** during the period of the next reauthorization bill, and beyond.



FACT SHEET:

TEA 21 versus SAFETEA

TEA 21	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	TOTAL
Fully Authorized Level	\$4.6	\$6.3	\$6.8	\$7.2	\$7.7	\$8.2	\$41
Guarantee	\$4.8	\$5.3	\$5.8	\$6.3	\$6.7	\$7.2	\$36

SAFETEA	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	TOTAL
Fully Authorized Level	\$7.2	\$7.4	\$7.5	\$7.7	\$7.8	\$8.0	\$46
Guarantee	\$5.9	\$6.0	\$6.2	\$6.3	\$6.5	\$6.6	\$37.6

(Billions of Dollars)

Since FY 1998, the federal transit program has been funded only at the **guaranteed** level on an annual basis (except in FY 1999 when the actual appropriation exceeded the guarantee by \$25 million). For example, for the current Fiscal Year, the program was funded at \$7.2 billion, the guaranteed level under TEA 21. If current practice continues, appropriators will continue to fund the program at the **guaranteed** level during the next six years.

Therefore, in examining the Administration's proposal (SAFETEA), it is only necessary to look at the proposed **guaranteed** levels for transit. As the charts indicate, for FY 2004, the Administration is proposing \$5.9 billion for the transit program, **which is a \$1.3 billion cut from the current Fiscal Year**. In fact, under SAFETEA, the Administration would not even reach the current level of spending by the end of the reauthorization period. **Guaranteed public transit funding would be 8% less in FY 2009 than it is in FY 2003!**

Prepared by ATU Legislative Department - May 15, 2003