Ranking Member Pat Toomey (R-Pa.)
Opening Statement
Full Committee Hearing
July 12, 2022 at 10:00 AM

Thank you, Mr. Chairman.

Administrator Fernandez, welcome. Today, we'll hear directly from the FTA on implementation of last year's infrastructure law.

As I've stated before, we should not pay for an infrastructure package by borrowing billions more dollars. But that's precisely what happened with this law. It authorized so much new spending that $118 billion had to be transferred from the Treasury's General Fund to the Highway Trust Fund, which is a specific account financed with federal gas tax revenue to cover mass transit and highway construction costs.

President Biden would make this shortfall worse by suspending the federal gas tax for three months, reasoning that the solution to high gas prices isn't more supply, but rather more debt. I'd suggest if we want to help commuters and families suffering from inflation, we can start by reversing the administration's actions that keep us from using America's own fossil energy. But back to infrastructure.

Federal spending should be driven by a reasoned assessment of our nation's needs. However, last year's infrastructure law seems to have been driven more by Democratic political imperatives. The bill funneled billions to projects that the private sector has been more than willing to fund, such as ferries and electric vehicle charging stations.

Transit was given $108.1 billion over a five-year period. To put that number into perspective, it's almost twice what transit got in the last surface transportation reauthorization. And this staggering sum will be on top of the nearly $85 billion given to transit during one year of the COVID pandemic, the vast majority of that money categorized as "emergency" spending to offset COVID losses. In fact, that nearly $85 billion exceeded the combined annual operating and capital costs of all transit agencies in the U.S.

At the time, Democrats tried to justify paying for more than 100% of transit agency budgets by saying that transit systems would collapse from declines in ridership and state and local tax revenues. Yet, state and local tax collections set a new record in 2020. And Congress gave more than $850 billion to states and local governments for COVID relief.

Worse, billions of dollars will go to transit agencies that were facing ridership declines well before COVID. Since reaching a high of 10.7 billion trips in 2014, transit ridership has steadily fallen. It fell by almost 8% in 2019. And the last two years saw even steeper declines.

Ridership fell at some agencies by over 70 percent. According to FTA, ridership now is only about sixty percent of pre-pandemic levels. Some estimates predict ridership will never fully return to pre-pandemic levels.

Agency leaders in New York, Pittsburgh, and Washington, DC have all said their riders won’t return. And even transit agencies that are predicting ridership to return to pre-pandemic levels don’t expect that to happen this decade. For example, a non-partisan think-tank —the Eno Center for Transportation—recently reported that New Jersey Transit does not expect its pre-pandemic rail ridership to return until the early 2030s, and San Francisco’s Bay Area Rapid Transit does not expect its pre-pandemic ridership to return until after 2035.

So why give away more taxpayer money to agencies serving far fewer riders? Shockingly, the FTA is allowing transit agencies that are seeking federal funding for projects to expand transit systems to use pre-pandemic ridership data from 2019. Transit agencies largest source for expansion projects is FTA’s Capital Investment Grants program – known as CIG.

There are transit agencies seeking millions and even billions of federal taxpayer funding for CIG projects to expand streetcars, commuter rail, light rail, and bus rapid transit. To justify their funding requests, FTA has been allowing transit agencies to use pre-pandemic data on ridership from 2019 and 2020. That boggles the mind.

Transit ridership was already in decline pre-COVID. And transit agencies are publicly admitting that their ridership will not recover to pre-pandemic levels for over a decade, if ever. So federal taxpayers will build out transit systems to serve ghost riders, increasing long-term maintenance costs. I have no doubt that a few years after these projects are completed, transit agencies will be before Congress pleading for more subsidies to operate systems too large for demand.

Also concerning is FTA’s willful disregard of an important feature of last year’s infrastructure law. The law requires agencies to make progress on their deferred maintenance backlogs to qualify for CIG grants. But FTA plans to allow agencies to qualify for CIG grants even when they are falling further behind on their overall deferred maintenance targets. That does not protect taxpayers.

Speaking of protecting taxpayers, people should feel safe while using transit. As I stated at our last transit hearing, the rising rates of crime on transit systems are deeply disturbing. Unfortunately, it doesn’t appear that FTA is taking this important issue seriously enough.

Let me conclude with this observation. It may not entirely be transit agencies’ fault that people are choosing not to use their services. But that doesn’t mean Congress should be throwing ever more billions of federal taxpayer dollars at them to build out more services for riders they don’t have.

I look forward to discussing the future of mass transit today.