



STATEMENT OF SCOTT BOGREN

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**BEFORE THE UNITED STATES SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
SUBCOMMITTEE ON HOUSING, TRANSPORTATION AND COMMUNITY DEVELOPMENT**

APRIL 6, 2022

Subcommittee Chair Smith, Ranking Member Rounds and Members of the Subcommittee:

My name is Scott Bogren and I have been the Executive Director of the Community Transportation Association of America, better known as CTAA, for six years. I have been with CTAA, in a variety of capacities, for a total of 33 years, working directly with smaller transit operators around the country.

As the Executive Director of a national, nonprofit membership organization representing more than 1,200 rural, small-urban, tribal, specialized (i.e. agencies serving people with disabilities, older adults, veterans, etc.) and non-emergency medical transportation operators across the country, it is an honor to be selected to appear before you today regarding the equitable implementation of the Bipartisan Infrastructure Law (BIL) in rural and small-city America. For our members around the country, there is no more important topic.

Public transportation is a national program, with operations in virtually every corner of the country today. The implementation of the landmark BIL, which commits unprecedented federal investment in public transit, must accordingly benefit all transit operators. For CTAA members, the key federal transit programs that I'll be referring to in this written testimony (as well as in my oral remarks) are the Section 5311 Rural Public Transportation Formula Program, the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program, the Section 5307 Urban Public Transportation Formula Program (focusing on the small-urban portion targeting

urbanized areas with populations of less than 200,000) and the Section 5339 Bus and Bus Facilities Dedicated Capital Program.

Throughout the COVID-19 pandemic, the Federal Transit Administration (FTA) has been a valuable partner and asset to CTAA members around the country. The agency has worked quickly to apportion record amounts of federal investment in public transportation while continuing to maintain an open dialogue with smaller operators to ensure a right-sized approach to competitive grant requirements.

A Member Snapshot

CTAA's members are as unique as the communities and regions they serve. Recently, we surveyed our members and what follows is a snapshot of who they are, what they do, and their most pressing issues.

Rural and Tribal Transit (Section 5311)

Average number of vehicles in operation: 20-29

Average number of employees: 20-39

Average budget: \$3,041,370

Average Annual Ridership: 165,452

Key Issues: Providers have generally observed an increase in ridership and view the driver shortage as a major operational challenge that is limiting their ability to fully recover their pre-pandemic ridership. Zero-emission buses have yet to be widely adopted, with many questions arising about effectively deploying the technology. Most would like to purchase GPS tracking for their vehicles, along with scheduling/dispatching software.

Small Urban Transit (Section 5307)

Average number of vehicles owned: 30-39

Average number of employees: 50-59

Average budget: \$8,655,495 – 5307

Average Annual Ridership: 1,456,222

Key Issues: Providers are generally observing returning ridership and view the driver shortage as a major operational challenge. Most would like to deploy contactless payment technology and are actively adopting zero-emission vehicles. Some are closely looking at bus rapid transit deployments. Many small-urban CTAA members count local universities as major partners.

Specialized Transit (Section 5310)

Average number of vehicles owned: 0-9

Average number of employees: 10-19

Average budget: \$1,609,076

Average Annual Ridership: 48,033

Key Issues: Providers have generally observed steady ridership and view the driver shortage as a major operational challenge. They would like to see continued flexibility on federal incidental use rules. Many are components in larger human services (i.e. Community Action Agencies, Senior Centers, Centers on Independent Living) organizations in which transportation is one of many services provided.

Non-Emergency Medical Transportation (NEMT)

Average number of vehicles owned: 0-19

Average number of employees: 30+

Average budget: \$1,582,433

Average Annual Ridership: 191,808

Key Issues: Providers have generally observed an increase in ridership and view insufficient funding as a major operational challenge. Medicaid is a vital source of funding through state-managed Medicaid plans. Medicare, managed care organizations and private sector health care providers and networks are increasingly important partners in the NEMT space.

BIL Equitable Implementation Opportunities and Issues

To ensure the equitable implementation of the BIL, CTAA and its members would like to emphasize the following opportunities and issues:

Equitable Access to Competitive Grant Funding — Smaller transit agencies need a level playing field when competing for funding in various Department of Transportation and Federal Transit Administration grant solicitations. The recently released Bus and Bus Facilities (Section 5339b) competitive program includes a set-aside of 15 percent for rural and tribal areas. Set asides like this one ensure more national coverage of these programs as well as assuring that rural and tribal transit agencies compete with each other for funding and not directly with vastly larger urban transit systems with significantly larger budgets and staff sizes. CTAA supports set asides like this in all national, competitively funded programs.

Help with Non-Federal Share — Transit operators (rural, tribal and urban) serving populations of less than 200,000 use their formula funding to support system operations — but doing so requires a 50/50 federal/non-federal match (as opposed to the 80/20 federal/non-federal match for capital). Because many of these operators are in states that lack significant state transit funding and don't have local dedicated sources of non-federal share (for example, a dedicated transit tax), matching federal funding was becoming a challenge prior to the onset of the COVID-19 pandemic. CTAA worked to support Senators Smith, Rounds and Baldwin and the sponsorship of S. 267 — The Investments in Rural Transit Act of 2021. This important legislation would provide non-federal match relief for rural communities. Today, the biggest challenge for many smaller transit operators is the lack of adequate non-federal match to leverage the increased transit investment in the BIL. Some CTAA members have reported not participating in the

Section 5339 competitive funding programs, even though they have real vehicle replacement needs, because they do not have adequate non-federal share.

Continued Emphasis on Bus Capital — CTAA members are bus and vehicle operators. For many years, our members were forced to use aging buses operated out of often obsolete facilities due to a lack of adequate dedicated bus and bus facilities investment at the federal level. The \$1.5 billion combined Bus and Bus Facilities and No/Low Emission Bus NOFA announced last month is precisely the type of investment needed to respond to the dire replacement needs for many bus operators around the nation. Both of these important programs were significantly oversubscribed in FY 2021 and in previous years. CTAA and its members strongly support this level of investment throughout the five-year BIL.

Right-Sized Requirements and Regulations — Smaller transit operators need to have the federal regulatory and requirement burden right-sized in terms of both fit and application. For example, FTA leadership clearly communicated that although smaller transit systems must comply with the fleet transition plan in the BIL's Section 5339c No/Low Emission Competitive Bus program, that they expect these plans to be much smaller and more manageable for a rural or tribal system with a six vehicle fleet, than for a large urban property with hundreds of buses. This flexible approach that takes into account the capacity of smaller transit operators needs to be brought to all aspects of the federal transit program.

Advance Notice of Competitive Solicitations — The BIL includes a record amount of federal investment in competitively administered programs through the U.S. Department of Transportation and its modal administrations. Smaller transit operators simply do not have the financial or staff capacity to quickly ramp up resources to respond to each potential grant program. We understand that FTA is working up a year-long calendar to assist smaller transit agencies and State Departments of Transportation to plan and budget for the programs to which they will respond and compete. This will be most helpful and appreciated by our members.

Realistic Rural and Small Operator Emissions Expectations — Operating patterns in many rural, tribal, small-urban and specialized transit systems do not yet lend themselves to battery electric bus implementation. Yet prior to the BIL, battery electric buses were virtually all of the investments in the Section 5339c competitive grant program. The new law's addition of a 25 percent floor for low emission vehicles (for example, compressed natural gas or propane) is an excellent way to bring the more than 2,000 rural, tribal, specialized and small urban transit operators into the shared objective of lowering vehicle emissions around the nation.

The Impact of Driver Shortages on Smaller Transit Systems — Smaller transit systems around the country are seeing ridership return and many have reported to CTAA that the main barrier standing in the way of fully recaptured pre-pandemic ridership levels is the lack of drivers. Our members report unprecedented competition in the driver marketplace that is leading to nationwide shortages. New entry level CDL driver training requirements, implemented by the Federal Motor Carrier Safety Administration (FMCSA) in February have made it more expensive and more time-consuming to on-board new CDL drivers. Continued mask mandates in all forms

of public transportation also has made it more challenging to recruit needed new drivers. CTAA members are revising their driver recruitment and retention efforts and deploying innovative strategies like working with local community colleges, developing apprenticeship programs and even exploring options with returning citizens from prison with non-violent offenses.

Supply Chain Challenges Make Vehicles Cost More and Delay Delivery — The supply chain issues hampering many aspects of the American economy are not surprisingly creating challenges for smaller transit agencies. New vehicles are costing as much as 25 percent more and delivery times for many smaller transit agency buses — often built on OEM chassis that are scarce due to the computer chip supply crisis — can now be as much as three years.

New Coordination Opportunities — CTAA continues to work with its partners and through its members to create cross-sector partnerships between transportation providers and those providing health care and human services such as housing, employment, and food access in the community. The BIL's additional formula funding investments, as well as its support for competitive innovative mobility funding programs, creates excellent opportunities to weave together these programs to mutually support each other and, ideally, to provide innovative ways to reduce the non-federal share requirements for transit operating support.

Furthering Flexibility that has Proven Essential Throughout the Pandemic — With the onset of the COVID-19 pandemic, many smaller transit providers and NEMT operators immediately shifted their operations to deliver food, groceries and prescriptions directly to people they once carried to these destinations. In some cases, these same operators quickly developed ways to bring COVID-19 vaccines directly to at-risk populations. FTA granted new flexibility to these operators for these "incidental" operations under federal law. That flexibility officially ended on January 20, 2022 — but many CTAA members would like to see the flexibility continued.

Thank you for the opportunity to share CTAA's insights and thoughts on Advancing Public Transportation in Small Cities and Rural Places under the Bipartisan Infrastructure Law. Congressional support for rural, tribal, small-city and specialized transit operations has allowed these agencies to survive the COVID-19 pandemic largely intact, with the ability to continue to serve their communities and passengers. Our members all around the nation thank you.