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## Jobs bill passed by House, now goes to Senate

Bill contains \$20B transfer from general funds to keep HTF solvent into 2011  
March 5, 2010

The U.S. House of Representatives has approved a \$15 billion jobs bill that includes an extension of funding for the highway and transit programs until the end of the year and a \$20 billion infusion of cash into the Highway Trust Fund from general funds. The one-time transfer of \$20 billion should keep the fund solvent through the first quarter of 2011.

The bill also restores an \$8.7 billion highway authorization that was rescinded when SAFETEA-LU expired last Sept. 30.

The bill also contains an extension of the DOT's Disadvantaged Business Enterprise program. Also built in is an extension of the Build America Bonds provision of the American Recovery and Reinvestment Act.

The House passed the bill with support from only six Republicans. The total vote was 217-201. The bill now goes to the Senate, but there is no indication when the Senate might consider it.

The federal highway program is now operating under a one-month extension approved on Tuesday, March 2. This is its fourth short-term extension.

Tom Foss, president of Griffith Co., of Brea, Calif., presented testimony for the Associated General Contractors of America (AGC) before the Senate Environment and Public Works (EPW) Committee this week on the importance of transportation investments to the national economy and jobs. Foss emphasized that the construction industry, like other businesses, relies on a well-functioning transportation system for delivery of materials and products to jobsites and, therefore, called for increased investment to improve system functionality.

Foss pointed out that unemployment in the construction industry is currently running at more than 24% and that additional highway and transportation investment is needed to remedy this situation.

AGC's testimony pointed out that transportation funding in the stimulus legislation has saved construction jobs but that more funding is needed. Foss also called for enactment of a long-term SAFETEA-LU reauthorization with increased funding to bring long-term economic growth and certainty to the highway construction market.

EPW Committee Chair Barbara Boxer (D-Calif.) said she is committed to getting a six-year highway bill completed this year. She called the hearing the first step in accomplishing this goal.

Source: *Engineering News-Record*, AGC March 5, 2010

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## Senate committee debates ways to finance new highway bill

I-Fund and TIFIA could be options if Congress refuses to raise federal gas tax  
 March 11, 2010

On March 11, senators began the search for funding mechanisms that would support a new six-year highway bill.

Sen. George Voinovich pressed U.S. DOT undersecretary Roy Kienitz and White House aides to reposition their stance on raising the federal gas tax. The Obama administration opposes such a move, but if the new bill is as much as \$450 billion, the current tax would come up \$200 billion short.

The Obama administration believes a new idea, called the National Infrastructure Innovation and Finance Fund (I-Fund) is an attractive funding alternative because it would be used to attract private investors for new transportation projects. The Transportation Infrastructure Finance and Innovation Act (TIFIA), which guarantees loans for new projects, also was discussed.

Los Angeles Mayor Antonio Villaraigosa was on hand to brief the panel on his city's 30/10 transit expansion project. Voters will have to approve higher sales taxes for the project to get off the ground, but Villaraigosa, along with Sen. Barbara Boxer (D-Calif.), believe the approach should be used nationwide.

"This is the third time the Los Angeles electorate has voted to tax itself for a better tomorrow," said Villaraigosa. "As a result, Los Angeles has been able to make massive investments in public transit and our highway system."

The Obama administration is expected to reveal its upcoming principles for the next long-term transportation bill, but Kienitz warned that it could be short of additional ideas for a more potent funding mechanism.

Source: *Streetblog Capitol Hill* March 11, 2010

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# PRTC gets \$10 million grant

By Uriah A. Kiser  
News & Messenger  
Published: March 14, 2010

Transportation officials said a \$10 million federal grant will buy 13 new OmniRide buses and develop a new smart phone application that will tell riders where their buses are.

The Potomac and Rappahannock Transportation Commission learned it would receive the money late last month, after more than \$57 billion in applications for federal transportation money were processed by transportation officials in Washington.

"Needless to say, we're elated. And we're waiting eagerly for instructions on securing the funds so we can proceed expeditiously," said PRTC Director Alfred H. Harf.

The 13 new buses will replace older ones in PRTC's fleet of 133. They could be purchased in conjunction with the Virginia Department of Rail and Public Transportation, or could be purchased through a procurement option at Hampton Roads Transit in southeast Virginia.

Hampton officials offered PRTC the chance to purchase the 13 needed buses through Hampton's purchasing agreement. Some of the buses that will be replaced have been in use for 17 years, said Harf. Since 2005, PRTC has received 49 buses that have been purchased with a combination of federal and state funds.

Once installed, the \$4 million Computer Aided Dispatch / Automatic Vehicle Locator system, which will also be purchased with the federal funds, will allow dispatchers to track buses in the field in real time, and will pave the way for the development of a smart phone application that would allow PRTC riders to track the location of buses, telling them when the next one will arrive.

"Pushing out information via PDAs will become the primary source of information for our riders, by not only giving them information on service changes or special events, but to give them information about where their bus is in real time is what we aim to do," Harf said.

The new information system will include passenger counters and voice annunciation software that will announce the names of major stops to bus riders.

The new money comes as part of a larger \$58 million in stimulus money awarded to the capital region to be used for bus transportation improvements. According to PRTC documents, additional upgrades include cameras to be added to 40 buses and large displays for bus dispatch information will be added.

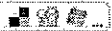
More than \$200 million federal monies were awarded for transportation projects. Among the big winners were Tennessee and Alabama with \$105 million for a freight rail corridor project and \$63 million for a street car in Tucson, Ariz.

PRTC must spend the federal money by February 2012.

*Staff writer Uriah A. Kiser can be reached at 703-878-8065.*



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## Hearing on FTA FY2011 Budget Requests

03-23-10

STATEMENT OF  
PETER M. ROGOFF  
ADMINISTRATOR  
FEDERAL TRANSIT ADMINISTRATION  
U.S. DEPARTMENT OF TRANSPORTATION

BEFORE THE COMMITTEE ON APPROPRIATIONS  
SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND  
RELATED AGENCIES  
UNITED STATES HOUSE OF REPRESENTATIVES

March 23, 2010

Good morning. Thank you Chairman Olver and members of the Subcommittee for the opportunity to appear before you today to discuss the President's fiscal year (FY) 2011 budget for the Federal Transit Administration (FTA). The FTA budget for FY 2011 is \$10.8 billion, an increase of \$67 million above the FY 2010 enacted level. This budget advances the Administration's domestic and fiscal priorities.

FTA reformats and restructures its programs and accounts in this budget to better reflect the Administration's commitment to improve our Nation's public transportation system. This includes bringing bus and rail transit infrastructure to a state of good repair in order to provide more efficient and reliable public transportation while building new transit systems in high-growth areas of the country. This budget supports the President's and the Secretary's rail transit safety priorities and initiatives to promote livable and sustainable neighborhoods, cities and towns across the country. In addition, this budget consolidates some existing programs and creates a new program to reduce greenhouse gas emissions in public transportation.

Transit systems across the country play an important role in enhancing the nation's economic competitiveness by carrying tens of millions of riders each day to jobs, employment centers, schools, and colleges. Over 10.3 billion trips were taken on transit last year – the highest ever.

To meet the Administration's commitment to improve public transportation, FTA's workforce must include more community planners, environmental specialists, engineers and financial analysts to ensure projects are designed and implemented in the most efficient and cost-effective manner. We request 20 additional full-time equivalents (FTE) to help ensure that FTA stewardship of Federal transit funds meets this Administration's high standards, particularly as they relate to eliminating and preventing waste, fraud, and abuse.

### **Transit Safety**

The Metrorail crash in Washington, D.C. last summer was a horrific event. However, even before this June 2009 accident, we became concerned about accidents and safety lapses at the Chicago Transit Authority, the MUNI system in San Francisco, the "T" in Boston and elsewhere. While we believe the situation at Washington Metro -- documented in a recent FTA review -- is particularly troubling, some of the deficiencies and vulnerabilities at Metro and the Tri-State Oversight Committee (TOC) are similar to problems that exist at transit agencies and State Safety Organizations across America. The

Secretary formally transmitted a legislative proposal to improve transit safety to the Speaker of the House and the President of the Senate back on December 7, 2009. We urge Congress to move forward with our transit safety reform bill now.

FTA's 2011 budget includes the resources to begin implementation of the Administration's rail transit safety legislation embodied in the "Public Transportation Safety Program Act of 2009." The FTA cannot move forward to address these problems in any meaningful way while we are still prohibited by law from issuing safety regulations or conducting direct safety oversight.

The Administration looks forward to prompt enactment of its safety legislation and requests in this budget \$24.1 million for a new Rail Transit Safety Oversight Program and an additional \$5.5 million to fund 30 FTE in FTA's new and expanded Office of Safety. The Rail Transit Safety Oversight Program will fund on-site spot inspections and safety audits conducted by Federal and/or State technical specialists and inspectors with backgrounds in train control, track, operations, and other disciplines.

This budget request also includes \$150 million authorized in the Federal Rail Safety Improvements Act of 2008, for capital and preventive maintenance projects at the Washington Metropolitan Area Transit Authority (WMATA). The Administration and Congress agree that funds should first address safety shortfalls identified by the National Transportation Safety Board (NTSB). The Secretary will use his grant approval authority to ensure that WMATA uses these funds to address its most critical safety needs.

### **Infrastructure Investment Ensuring a "State of Good Repair"**

Ensuring that the Nation's transportation infrastructure reaches a "state of good repair" is a high priority for the Department of Transportation. To that end, the FTA transmitted a report to Congress in April 2009 that identified a \$50 billion capital reinvestment and maintenance backlog of rail assets at the seven largest and oldest rail systems. Preliminary results from a follow-on study including more rail transit and bus properties show that 41 percent of bus assets nationwide are in marginal or poor condition. Both studies show that funding from Federal, State, and local sources needs to be strategically invested to achieve a state of good repair for our transit infrastructure. Newer, more reliable track, signal systems, and vehicles will ensure safe and dependable rail transit operations serving the American public. In addition, modernized bus facilities yield greatly improved workplace conditions and more efficient operating budgets.

To address this major challenge, the budget merges and expands the Bus and Bus Facilities and the Fixed Guideway Modernization programs and provides \$2.9 billion, an 8 percent increase over the combined programs' FY 2010 level of funding, into a new Bus and Rail State of Good Repair fund. By focusing on the backlog with increased Federal funding our aging transit infrastructure can begin to be brought to a "State of Good Repair." Without reinvestment and rehabilitation, our public transportation infrastructure will not be able to maintain critical safety margins or support the needs of growing ridership. It is critical and timely that we address our aging transit infrastructure through good and sustained investments in projects that have real benefits. We must devote resources to not only preserve and improve our existing assets, but to increase the capacity of our transit networks to efficiently and safely move passengers, using new construction where needed, innovative technology, and operational improvements.

In addition, this budget includes \$4.6 billion by formula for capital improvements to transit systems in urbanized areas and \$545.1 million for capital, and in some instances operating assistance in small urban and rural areas. These funds help provide reliable, dependable, and safe public transportation. A significant amount of these funds are invested in the basic needs of maintaining and sustaining the \$607.2 billion in transit capital assets already on the ground, though the needs are far greater in some areas. In smaller urban areas and rural areas with a population of less than 200,000, these funds also provide much needed operating assistance to actually get transit service on the road day to day.

## **Major Capital Investments**

To provide more transportation choices, the budget includes \$1.8 billion for FTA's Capital Investment Grants -- New Starts and Small Starts. The New Starts and Small Starts programs are the Federal Government's primary financial resource for supporting locally planned, implemented, and operated major transit capital projects. These programs have helped make possible dozens of new or extended transit fixed guideway systems across the country -- heavy rail, light rail, commuter rail, bus rapid transit, and ferries. These public transportation investments have improved the mobility of millions of Americans, provided alternatives to congested roadways, and fostered the development of more viable, safe, and livable communities.

In FY 2011, \$1.6 billion is proposed for capital investment grants for projects that have a capital cost greater than \$250 million, or that request a New Starts share greater than \$75 million. These funds are requested to honor 12 existing and pending Full Funding Grant Agreements (FFGAs) and 6 projects that are expected to be ready for a funding commitment in FY 2011. In addition, \$200 million is proposed for Small Starts projects. The current criteria limits project sponsors to a maximum Small Starts share of no more than \$75 million with a total capital cost of less than \$250 million. These projects can be new fixed guideway systems, extensions to existing fixed guideway systems, and substantial corridor-based bus improvements.

On January 13, 2010, the Administration announced a change in policy to the New Starts program that restores the statutorily-prescribed process for recommending funding for New Starts and Small Starts projects. FTA now gives consideration to the full range of transit benefits: economic development, environmental, social, mobility and congestion relief benefits. FTA will be issuing an advanced notice of proposed rulemaking (ANPRM) to seek public input on potential revisions to the measures used for certain New Starts and Small Starts project justification criteria. The policy changes and criteria updates will better realize the livability and sustainability goals of the Obama Administration.

## **Greenhouse Gas Emissions**

Transportation has a large role to play in reducing greenhouse gas emissions as it accounts for 28 percent of all U.S greenhouse gas emissions—second only to emissions from utilities. Public transportation offers a low-emissions alternative to driving and facilitates compact development, further reducing travel distances and a community's carbon footprint. This budget consolidates existing research programs under a new "Greenhouse Gas and Energy Reduction" account funded at \$53 million to help deploy and demonstrate practical and common-sense public transportation solutions to reduce greenhouse gas emissions and promote public health.

## **Livable and Sustainable Communities**

Secretary LaHood has partnered with the Secretary of Housing and Urban Development (HUD) and the Administrator of the Environmental Protection Agency (EPA) to form an interagency Partnership for Sustainable Communities. This partnership will help improve access to affordable housing, provide more transportation options, and lower transportation costs while protecting the environment in communities nationwide.

Mr. Chairman, I have to give you credit for "jump starting" this effort by requiring that HUD and FTA work together to bring about greater coordination of housing and transportation in urban and rural communities. The agencies involved today, including EPA, are working under six guiding "livability principles" to coordinate Federal transportation, environmental, and housing investments. The principles include:

1. Provide more transportation choices. Develop safe, reliable and economical transportation choices to decrease household transportation costs, reduce our nation's dependence on foreign oil, improve

air quality, reduce greenhouse gas emissions and promote public health.

2. Promote equitable, affordable housing. Expand location- and energy-efficient housing choices for people of all ages, incomes, races and ethnicities to increase mobility and lower the combined cost of housing and transportation.

3. Enhance economic competitiveness. Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers as well as expanded business access to markets.

4. Support existing communities. Target Federal funding toward existing communities – through such strategies as transit-oriented, mixed-use development and land recycling – to increase community revitalization, improve the efficiency of public works investments, and safeguard rural landscapes.

5. Coordinate policies and leverage investment. Align Federal policies and funding to remove barriers to collaboration, leverage funding and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.

6. Value communities and neighborhoods. Enhance the unique characteristics of all communities by investing in healthy, safe and walkable neighborhoods – rural, urban or suburban.

FTA has long fostered public transportation that enhances the development of communities and the livability of individuals within those communities. The budget provides \$306.9 million for grants that promote livability under three existing programs: Job Access and Reverse Commute, Alternatives Analysis, and Metropolitan and Statewide Planning. These programs further promote livable and sustainable communities, linking communities to affordable housing, increased pedestrian access, and improved connections between where people live, work, shop, socialize and receive health care services.

In December 2009, FTA announced the availability of \$130 million of Section 5309 funds for discretionary grants for Urban Circulator Systems that support the Department's Livability Initiative. As part of our joint coordination, HUD reviewed our Federal Register Notice soliciting proposals for urban circulator projects seeking less than \$25 million in Federal section 5309 resources. Funds will support urban circulator systems such as streetcars providing transportation options that connect urban destinations and foster redevelopment of urban spaces into walkable, mixed use, high density environments.

I am happy to announce that FTA received over 65 applications totaling over \$1.1 billion for our Urban Circulator Systems program. FTA is currently evaluating proposals based on the project's ability to advance local economic development goals, improve mobility for all citizens, and the ability to create partnerships that result in the integration of transportation and land-use decision-making that results in environmental benefits. We expect to announce these grants in June 2010.

Also in December 2009, FTA announced the Bus and Bus Facilities Livability Initiative program. The Livability Bus Program is funded using \$150 million in unallocated discretionary Bus and Bus Facilities program funds authorized under Federal Section 5309(b). The Livability Bus Program makes funds available to public transportation providers to finance capital projects to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities. FTA received over 260 applications totaling over \$2 billion for the Livability Bus Program. FTA is currently evaluating proposals based on the project's ability to advance local economic development goals, improve the mobility for all citizens, and create partnerships that result in the integration of transportation and land-use decision-making that results in environmental benefits. We expect to announce these grants in June 2010.

FTA will continue to further the Administration's sustainability and livability initiatives through more integrated regional planning to guide State, metropolitan and local decisions that link land use, transportation and housing policy. FTA is focusing on how grantees are using Federal transportation funds, leveraging these resources by partnering with recipients of other Federal funds, and implementing transit friendly policies and practices that achieve livability outcomes.

Mr. Chairman, one example of how the Livable and Sustainable Communities Partnership is achieving meaningful results can be seen in New England. In August 2009, the New England offices of HUD, EPA, and FTA began to discuss regional partnership opportunities that benefit communities throughout New England. Boston's Fairmount Corridor commuter rail line passes through diverse, predominately lower-income urban neighborhoods. Historically, the line has traveled from suburban locations directly into the central business district, bypassing large sections of urban communities. Today, work is underway to add four to five new stations along the rail corridor, providing access for the first time to residents in more vulnerable areas. The New England partnership is a great example of action taken to support this important livability initiative.

### **Success of the American Recovery and Reinvestment Act**

Since President Obama signed the American Recovery and Reinvestment Act (ARRA) in February 2009, the FTA has awarded 881 grants totaling \$7.5 billion -- which means all the formula transit funds provided by ARRA have been "obligated" or committed to specific projects meeting the deadlines required by law. So far, ARRA funds have supported the purchase of nearly 12,000 buses, vans and rail vehicles, the construction or renovation of more than 850 transit facilities, and the performance of more than \$620 million in preventive maintenance, which has helped keep transit service running and save jobs.

Investing in these transit upgrades not only puts construction workers on the job at project sites, but supports American manufacturing jobs all the way down the supply chain. In addition to the direct employment impact of the projects, domestic bus, seating, and rail car manufacturers have received orders that are helping boost production and support jobs. For example, Orion Bus in Greensboro, North Carolina has now received 10 contracts for nearly 300 buses supported by ARRA funds -- orders the company says allowed it to maintain 176 jobs. Gillig Bus in Hayward, California has received orders for 790 buses using ARRA funds -- work the company says allowed them to support 395 jobs. The American Seating Company in Grand Rapids, Michigan, a bus seating manufacturer, says they received \$3 million in ARRA funded contracts last year allowing them to add 11 full-time employees with additional job growth expected in 2010 thanks to ARRA.

In addition to ARRA formula funds, FTA obligated 100 percent of almost \$750 million in ARRA discretionary funds for New Starts and Small Starts projects nationwide. Investing in modern, efficient transit systems will mean safe, reliable travel and clean air in our communities. These projects are putting thousands of Americans to work right now while improving the lives of millions of Americans for years to come.

In summary, this budget supports the Administration's domestic and fiscal priorities including the advancement of affordable and flexible transportation choices. It supports the Secretary's number one priority -- transportation safety. It also supports the Secretary's initiative to create livable communities that will result in a better quality of life for all Americans through a more efficient and accessible transportation network.

Thank you for the opportunity to appear before the Subcommittee. I would be happy to answer any questions.

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# Caught in a Perfect Storm: Will a New Transportation Bill Emerge in 2010?

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**With the nation in the grips of an economic downturn and Congress inching slowly toward resolution on other important bills, it's beginning to look as if SAFETEA-LU will continue to be extended until Congress and the Obama administration can clear their slate and focus on finding a way to fund the bill.**

>BY ALEX ROMAN, Managing Editor

**W**HEN YOU COMBINE THE NATION'S economic slump and the inability to find new funding mechanisms to bolster the Highway Trust Fund, it can safely be said that the stalled effort to pass a new transportation bill is caught up in a "perfect storm."

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), which was signed into law by President George W. Bush on Aug. 10, 2005, expired as of Sept. 30, 2009. Although Congress is supposed to begin work on a new six-year authorization this year, there are many factors outside of the two aforementioned problems, including healthcare and

climate legislation, that have also contributed to gumming up the works.

"It was our original intention to complete work on the authorization by the end of September. Certainly, the House Committee on Transportation and Infrastructure was ready to do just that," explains Congressman James L. Oberstar (D-Minn), chairman of the House Transportation and Infrastructure Committee. "However, we could not move our bill until the Committee on Ways and Means was ready to move the revenue title, but that committee was tied up with several other pieces of major legislation. At the same time, the Administration and the

Senate were urging an 18-month delay in the process, leaving the authorization stalled in our Committee."

Currently, federal surface transportation legislation is working on an extension of SAFETEA-LU until Congress is prepared to address the funding issues, which could possibly not happen until after the healthcare and climate legislations are put to bed.

So, where does that leave the hopes of seeing a reauthorization in 2010? While many are still optimistic that a new bill will emerge in 2010, some are coming to terms with the reality that extensions of SAFETEA-LU will be applied possibly until March

2011, which is 18 months later than the bill was supposed to be completed and is the time period suggested by the Obama administration and Senate that Chairman Oberstar mentioned.

### MONUMENTAL OPPORTUNITY

Most agree that this surface transportation bill is a monumental opportunity, since it is not only the chance to fund much-needed infrastructure improvements, but also shape the nation's transportation system as it gears toward a population predicted to escalate to more than 400 million by 2040.

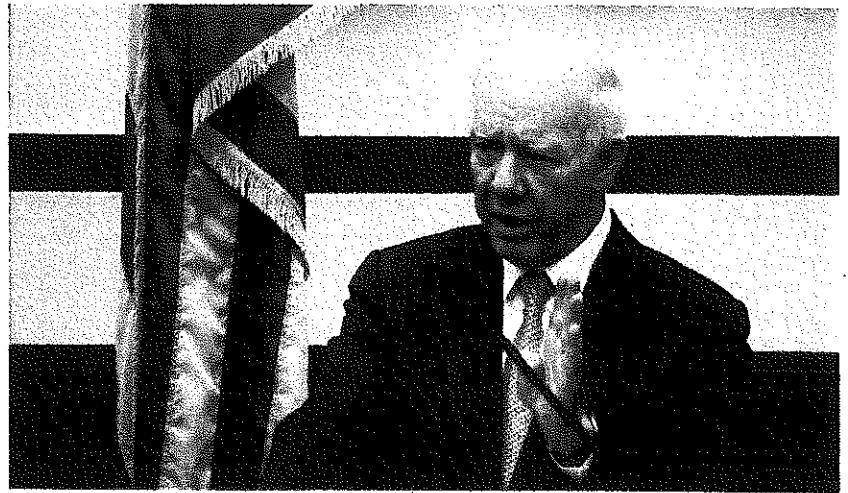
"In our view this is an historic opportunity — a moment akin to 1956 when the Interstate Highway Act was passed," says David Goldberg, communications director for **Transportation For America (T4America)**, a broad coalition of organizations that support a better transportation system for Americans. "We've built the interstate and sprawled out about as far as we could. We have a vastly different energy picture and a vastly different real estate picture, in terms of where the demand is. We have changed demographics. We are very different than the Ozzie-and-Harriet era that our current system is based on."

Goldberg adds that the U.S. has a huge need to move toward a clean energy future that also includes cleaner forms of transportation for a different part of the nation's population.

"Eighty percent of our population lives in metropolitan areas now. Sixty-five percent of the population lives in just the 100 largest metro areas, but we have a transportation program designed for interstate travel, which doesn't address urban transportation very well at all," he says.

Proving Goldberg's point, according to a study conducted by the **U.S. Department of Housing and Urban Development** and the **U.S. Census Bureau**, only 54 percent of American households have access to public transportation of any kind.

The aforementioned population growth, as well as the U.S. Census Bu-



Congressman James L. Oberstar, chairman of the House Transportation and Infrastructure Committee, is hopeful that authorization will happen as soon as possible, and hopes that SAFETEA-LU won't be extended through March 2011 as it has been suggested.

reau's prediction that the number of Americans 65 and older will double to more than 70 million by 2030, makes it abundantly clear that this federal transportation bill is of the utmost importance, says Chairman Oberstar.

"This will be a transformative authorization bill," he says. "It not only will invest more money in our national transportation infrastructure, it will reform the way our federal surface transportation programs are conducted. It will reduce red tape and require more coordination and cooperation among the various modal agencies within the **Department of Transportation**."

With the renewed interest in public transportation and the benefits it brings both economically and environmentally, there is no doubt that many feel now is the time to push for the extra funding in the wake of recent victories, such as the American Recovery and Reinvestment Act (ARRA) investment, which included a large investment in high-speed rail systems.

"Under President Eisenhower in the 1950s came the construction of the Interstates. While regarded as a system crucial for our national defense during the Cold War, it helped build out our nation and also connect it within," says Robert Puentes, sr. fellow/director, metropolitan infrastructure initiative, **Brookings Institution**, metropolitan

policy program. "For Senator Pat Moynihan and his colleagues in the 1980s and 1990s, the vision was to modernize the program and better connect roads, transit, rail, air and other modes. The challenge for us today is to recognize that transportation is a means to an end, not the end in and of itself."

### INVESTMENT FALLS SHORT

"We recommended \$123 billion over the course of six years for public transportation, which would essentially amount to a 20-percent-per-year growth in federal investment," says Paul Dean, director, government affairs, for the **American Public Transportation Association (APTA)**, who adds that the association also supports Chairman Oberstar's proposal for \$50 billion for high-speed rail, which would be financed through an infrastructure bank. The dollar amount recommended by APTA would essentially double SAFETEA-LU's public transportation investment, while Oberstar's \$50 billion proposal would separately fund President Obama's vision for a high-speed rail network in the U.S.

"TEA 21, passed in 1998, was \$215 billion over six years. SAFETEA-LU in 2005 totaled \$286 billion over six years, an amount \$89 billion short of what was actually needed. The Committee's bill, as it now stands, totals



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\$500 billion over six years," says Oberstar, \$99 billion of which will go toward mass transportation. "Our calculations are based on the findings of two special commissions charged with identifying our national transportation infrastructure needs and determining the means to meet them."

That \$99 billion investment falls short of what APTA asks for, and thus, inevitably falls short of the amount of an investment that is necessary for public transportation to operate effectively, given the recent economic woes many transit agencies are feeling due to the economy, which has forced them to cut services, raise fares and pare down staff.

On a positive note, the \$99 billion proposed for public transportation is more than \$30 billion more than SAFETEA-LU. Many with a vested interest also point to the jobs that were both created and sustained as a result of ARRA funding and stress that further investment will only yield greater results.

"\$1 billion in investment supports and creates 36,000 jobs in the economy," says Dean. "So, continued investment along those lines is very important."

#### A SUPPORTIVE ADMINISTRATION

Nobody doubts that the change in administrations has greatly benefited public transportation, and many hope that the renewed focus and investment will continue as promised. To date, it appears as if President Obama and his administration truly recognize the benefits public transportation brings, including reducing traffic congestion and cutting greenhouse gas emissions.

"The administration recognizes [public transportation's importance]. Transportation infrastructure, including pub-

lic transportation, was an important component of the American Recovery and Reinvestment Act, and plays a similar role in the pending Jobs for Main Street Act," explains Oberstar. "The administration has strongly supported both initiatives. Further, I expect the administration to support the higher funding levels for surface transportation in the new authorization bill, once we are ready to move that piece of legislation."

Adds APTA's Dean: "They certainly recognize the importance of connectivity with other modes of transportation and, in creating a livability initiative, understand the sustainability benefits of public transportation. To this point we certainly are optimistic about the signs we are seeing out of the administration."

#### WHAT'S THE HOLDUP?

Already nearly six months late, the surface transportation funding bill appears to be somewhat low on the priority list on Capitol Hill, with Congress struggling to find a consensus on two vital pieces of legislation — healthcare and climate change. The latter includes funding for green modes of transportation. Also, it seems the Jobs for Main Street Act has now taken precedence over both of the aforementioned bills.

Many feel that until these issues are resolved, authorization of a new transportation bill will have to wait; however, finding a way to fund the bill seems to be the crucial sticking point and may continue to be for some time.

"Trust fund revenues have not kept pace and the House, Senate and White House all want an increase in federal surface transportation. The question is how to fund it, so they keep putting off the decision," says Cliff Henke, sr. analyst, America's transit market, Parsons Brinckerhoff (PB). "Yes, those other things get in the way, but they wouldn't if this key question were resolved."

Adds Chairman Oberstar: "There is nearly universal agreement on the needs, but little consensus on the means. The House Budget Committee estimates that

current revenue sources for the Highway Trust Fund, primarily the federal tax on motor fuels, can provide \$325 billion over the next six years," he says. "That means we must find at least \$125 billion in additional revenues to meet the investment levels called for in the new authorization bill."

Although there have been many suggestions for ways to find the money to make up the difference, including congestion pricing and raising the fuel taxes, Congress seems to be stymied.

"Dick Gephardt tells a great story about how if he knew how difficult it would have been for them to get the small fuel tax increase they got in the early 1990s, he would have strove for a dollar increase instead," says Brookings' Puentes.

"Raising fuel taxes when the nation faces a deep recession and near-record fuel prices, or drawing from the general fund during a time of record budget deficits, may not be politically feasible," says Chairman Oberstar. "So, my colleagues and I are doing what we can to identify possible revenue sources to supplement the motor fuel taxes. Several ideas have been discussed, but no consensus has formed around any particular option."

Chairman Oberstar also adds that progress on the authorization will not be made until the revenue question is solved.

However, Puentes says that the importance of getting a bill passed isn't solely about money.

"If our transportation program is going to achieve critical national objectives in an era of fiscal constraints, it is going to need to focus and prioritize. The nation should settle for nothing less than evidence-based, values-driven decision-making," he says. "To echo a common theme articulated by the national transportation policy and revenue commission — as well as several others — we need a new beginning."

#### INFRASTRUCTURE SLOWDOWN

So, what will the impact be on the public transportation industry, as a



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whole, if a transportation authorization bill continues to be pushed aside?

"Any time that you have a situation where you don't have a full-term authorization in place, the uncertainty of the federal funding streams causes a major slowdown on the development of the capital infrastructure," says APTA's Dean. "It also makes it much more difficult to get bonds or private financing if you don't have that sort of long-term funding stream guaranteed."

Subsequently, he adds, all of this has a negative impact on the transit business interests because if the orders aren't coming in, it can begin to slow down the

manufacturers, suppliers and the thousands of businesses that rely on the federal government.

"What concerns not just us but a lot of the industry groups that follow this stuff is that when the stimulus funds end, things come to a screeching halt absent the promise of ongoing funding," says T4America's Goldberg. "The likelihood is that SAFETEA-LU will just continue to get extended. It's extended for now through the end of February and will get extended again. But, if it's extended on a 60-day, 90-day basis, people can't really get contracts on that instability."

Dean adds that the length of time the impact on the public transportation will be felt, if an authorization bill is not passed soon, is difficult to imagine.

"If you have an extended period of time where you don't have an authorization in place, the impact on the transit industry continues to grow and be much longer term," he says.

### WILL IT HAPPEN IN 2010?

With all of the factors mentioned before, including the critical need to find a way to fund the larger bill — which everybody agrees is necessary — the hopes of getting a transportation authorization bill finished in 2010 is beginning to look bleak.

"My optimism that it's going to happen in 2010 is different from my optimism on sort of the overall policy picture," says Dean. "One of the things that the administration has not really offered a lot on at this point in time is how we're going to fund the new bill, which really is the sticking point."

Many are hopeful that things will calm down after the mid-term election and that a new bill will be passed either in a lame-duck session, as the first dedicated transit gas tax was in 1982, or soon after in the next Congress.

Says T4America's Goldberg: "We would still like to see it done this Congress. It's an uphill climb, but stranger things have definitely happened. It may be that it comes to be understood that a clear, stable funding program for transportation is a key piece of economic stability."

It may be that public transportation just has to weather the "perfect storm" and be hopeful that the Obama Administration and Congress can weather the choppy waters. One hopeful point to note is that, despite being in a woeful recession, voters approved more than 70 percent of tax increases at the state and local levels in 2008.

"Our nation is facing an infrastructure deficit. Our roads, bridges, and transit systems are deteriorating due to years of underinvestment. This deterioration will not wait for us to act, it will only worsen. Therefore, it is important for us to act sooner rather than later," concludes Chairman Oberstar. "My preference, of course, is to move the authorization bill as soon as possible. However, I also know that Congress needs time to act. The Jobs for Main Street bill, which I supported, provides an extension of current transportation programs and funding through the end of September. I would hope that another extension will not be necessary." ■

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