



WRITTEN TESTIMONY OF:

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ON BEHALF OF:

COMMUNITY TRANSPORTATION ASSOCIATION OF AMERICA

**BEFORE THE HOUSE TRANSPORTATION & INFRASTRUCTURE COMMITTEE'S
SUBCOMMITTEE ON HIGHWAYS & TRANSIT
U.S. HOUSE OF REPRESENTATIVES**

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Subcommittee Chairman Rouzer, Ranking Member Holmes Norton, and members of the House Transportation and Infrastructure Committee's Highways and Transit Subcommittee, thank you for inviting me to appear before you today as you review the nation's transit programs and policies in advance of reauthorizing the Infrastructure Investment and Jobs Act (IIJA). I appear

before you today both in my role as the Executive Director of Prairie Hills Transit, located in Spearfish, S.D., and as a Board Member of the Community Transportation Association of America (CTAA).

Prairie Hills Transit serves a 16,500 square-mile service area and grew from an operation that started with a single van to one today comprised of 60 vehicles and 60 employees across western South Dakota. Our service area goes from the North Dakota border in the north down to the Nebraska in the south. In 2024, we carried 132,000 passengers, which represents a nearly 5 percent increase from our pre-pandemic ridership.

In addition to providing rural public transit in our service area, for more than 30 years PHT has been the primary transportation provider contracted across our service area to serve assisted living, nursing home and medical facilities. Twelve years ago the major healthcare provider in our region contracted with PHT for discharge trips from the hospital, returns to homes out of the area and for trips between medical facilities. At the time they purchased our first bus because we didn't have money to purchase one. Through the years the single bus was replaced by two ADA vans and then recently with four ADA vans — all purchased by Monument Health. Through the quality of our work and our focus on customer care, both the largest surgery hospital and another large rehabilitation hospital in the urbanized area of Rapid City have entered into service contracts with us. (This has precipitated the need to build a transit facility in Rapid City housing 4 storage bays, office area, and a service/wash bay.) Because of the delays in grant awards the building has cost significantly more. Due to the volume of requests we have already added another three ADA vans to the four purchased by Monument Health.

PHT operates a service for veterans who live in highly rural counties (Highly rural is any county with a population of seven (7) or less people per square mile). We serve six counties in South Dakota and have formal agreements with another six counties in Wyoming and with Open Plains Transit in Western Nebraska to serve another 39 counties.. Within our service area, Hot Springs, Rapid City and Sturgis all have veteran hospitals and clinics which generate a significant number of trips provided by PHT without a subsidy of any type.

Last year, we built South Dakota's first propane fueling station. We now operate five propane buses and thanks to an excellent partnership with our propane provider, we are seeing a \$14 savings per vehicle per day, which allows us to serve more people more efficiently. We've also found the heaters put out much more heat on cold days than our gas buses.

PHT has been a member of the Community Transportation Association of America (CTAA) since we provided our first trips in 1989. CTAA is a national nonprofit association of more than 1,200 organizations and individuals who believe that mobility is a basic human right. Mobility directly impacts the quality of life of people in communities across the nation by providing access to work and education, to life-sustaining health care and human services programs, to shopping and visiting with family and friends. CTAA members are in the business of moving people efficiently and cost-effectively.

America's Other Transit Network

For many Americans, the image that comes to mind when they think of public transportation is that of a crowded urban subway serving one of the country's largest cities. Barb Cline is testifying today on behalf of the Community Transportation Association of America (CTAA) which represents our nation's other transit network. The agency Ms. Cline directs — Prairie Hills Transit, headquartered in Spearfish, S.D., is a fine example of this other transit network.

Transit systems serving the nation's small cities and towns; rural and tribal communities; older adults; people with disabilities, veterans, non-emergency medical trips comprise this other network that often serves in relative obscurity. They use traditional buses, shuttle buses, vans, minivans and sedans to take their passengers to work, school, medical appointments, shopping, human services and so much more. This network has evolved a right-sized scale and approach to the communities and passengers they serve, and have deployed technological innovations to enhance performance and efficiency; everything from autonomous vehicle implementations to microtransit applications and on-demand mobility.

Here are some key data points that highlight this other network's effectiveness:

- According to the most recent set (2023) of National Transit Database (NTD) data, rural transit ridership across the US had reached 108 percent of pre-pandemic levels (the comparisons are Sept. 2019 vs. Sept. 2023).
- Five of the top ten transit agencies in the country, when ranked in terms of ridership per capita, come from small cities. Ames, Iowa's CyRide, for example, serving a population of 66,000 (2020 Census), provides 68 trips per capita which ranks third, nationally.
- In 2023, 13 rural transit systems reported ridership above 1 million, serving areas with less than 50,000 population. Notably, the Roaring Fork Transportation Authority in Colorado provided 4.5 million trips in 2023.
- America's rural population is declining, but rural transit ridership increased 15.6 percent from 2007 to 2019. Rural veterans represent 25 percent of the veterans enrolled in the VA health care system. In 2023, rural households spend 75 percent more of their total household income on gasoline than urban households.
- The performance-based Small Transit Intensive Cities (STIC) program has seen a 9 percent increase in small city transit system participation in the past five years, spotlighting increased efficiency and effectiveness of these systems in their communities.

Thanks to increased federal, state and local investment, America's other public transportation network is dynamically rising to meet the growing and changing needs of its communities and passengers.

CTAA recently completed a survey of its 1,200 member organizations and individuals, which provides a useful snapshot of this other public transportation network. Here are the highlights:

- The average CTAA member transit system has 61 employees (mostly drivers); operates 27 vehicles (mostly small buses and minivans); and serves its community with a combination of on-demand (majority) and fixed-route operations.

- CTAA members report that their top trip destinations are (in order): healthcare, employment, social services, retail, and education.
- Smaller transit fleets and facilities, according to CTAA members, are aging. Fifty-seven percent report that half of their current fleet of vehicles is past its useful life standard. Further, 44 percent say their facility(ies) are past due or within two years of needing a major update.
- The nature of rural transit service makes zero-emission vehicle technologies very difficult to deploy. For example, battery ranges of 90-100 miles do not work in rural America where one-way trips lengths can regularly exceed these ranges and where charging infrastructure is scarce. CTAA members have been successfully deploying low-emission technologies like hybrids, CNG and propane-fueled vehicles.

What the Other Public Transportation Network Needs in IIJA Reauthorization

Smaller transit systems, generally, rely on federal investment to serve their communities. Continued and adequate support of the formula programs (Sections 5307, 5310 and 5311) is essential to their ability to serve their communities and passengers.

Within federal transit discretionary or competitive programs, smaller transit agencies need set-asides that guarantee levels of participation for smaller transit agencies. Also, these set-asides ensure that smaller transit providers are competing with their peers (and not major metropolitan areas) for these important discretionary funding opportunities. CTAA has seen that set-asides in competitive programs increase smaller system participation and assure that these funds are more fairly distributed, nationally.

Local match is an increasing challenge for rural and small-urban public transit systems. As opposed to the vast majority of the federal transit program — where a 20 percent local match is typical — operating expenses for both rural and small city transit systems match at 50 percent. Coming up with this match is a burden for the leadership of smaller systems, particularly in states that choose not to invest heavily in transit. One of CTAA members' top priorities in IIJA

reauthorization is standardizing the match rate for rural and small urban operating funding at the same 20 percent where the rest of their federal funding matches. It is an ideal way to allow these agencies to extend their services at no additional federal cost. The American Association of Highway and Transportation Officials (AASHTO) supports this important priority.

Right-sizing the Regulatory Burden

A critical way that the Transportation and Infrastructure Committee can assist smaller transit systems through IIJA reauthorization is, broadly, right-sizing the regulatory burden. CTAA's members, typically, have quite small administrative staffs. Many rural transit general managers, for example, will drive a vehicle when short staffed. It is standard among smaller transit systems that administrative staff members perform a variety of job functions. At the same time, much of the regulatory and data collection efforts promulgated by both Congress and the Federal Transit Administration are designed for the nation's largest transit operators that have the requisite sized administrative staffs to manage these requirements. Scalability is often discussed, but rarely implemented.

CTAA would like the Committee to consider the following regulatory relief solutions:

- FTA's current regulatory regime and its review and oversight requirements, including, but not limited to triennial reviews and other routine compliance reviews of its grantees, should only be applied to those transit agencies directly receiving more than \$100 million in federal financial assistance, or that directly receive more than \$10 million of FTA funding for any one specific project (not including routine awards of formula-based federal transit funds directly to the transit agency).
- For all other direct recipients of FTA funds, other than those who receive transit funding from their state or tribal government, their signed attestations on FTA's annual certifications and assurances shall serve as evidence of compliance, except when indicated otherwise through an FTA-developed, objective process to identify grantees at highest risk of non-compliance with applicable federal statutory requirements.

- Transit agencies receiving federal transit assistance through their state government already are expected to comply with applicable state-level regulatory requirements, which henceforth shall be deemed to be compatible with comparable federal requirements. Oversight of states' transit grantees' compliance with these statutory and regulatory requirements shall be the responsibility of the state, not the federal government, except that FTA may use its state management review process to document and assure that states' rules and processes are not in conflict with federal requirements.
- In cooperation with the states, FTA should review its National Transit Database reporting processes as they pertain to grantees of state-managed transit grant programs and other subrecipients of federal transit assistance, all with the goal of implementing a more effective and appropriate means of "rural" and "reduced" reporting in time for the 2027 NTD reporting year, if not sooner.
- FTA should review its agency-specific regulations in Title 49 of the Code of Federal Regulations, identifying how to streamline these regulations' burdens on its direct grantees that receive less than \$100 million in federal financial assistance, reporting its findings and progress no later than September 30, 2027, and issuing relevant notices of proposed rulemaking no later than December 31, 2027.
- Every FTA administrative procedure and requirement must identify its statutory basis, or else must allow for voluntary compliance.
- FTA should immediately end the practice of using "FAQs" on its website for issuing regulatory requirements or policy directives.
- FTA should immediately begin a review of its program circulars, and should remove any circulars, or portions of circulars, that imply regulatory or other requirements that cannot be linked directly to applicable statutes or regulations. Issuance of new circulars must include a full 90-day comment period.
- When it comes to facility projects, CTAA recommends strongly that current FTA NEPA guidelines be made consistent with FHWA rules to allow for property acquisition prior to conducting NEPA required reviews.

Making it Easier to Buy Vehicles

The cost and availability of transit vehicles of all sizes continues to be a challenge to CTAA members. The once-robust American transit vehicle marketplace is in crisis. CTAA, in consultation with its operating, state Department of Transportation, and business partner members, recommends the following strategies for IIJA reauthorization.

- Local Government Purchasing schedules should be allowed. The use of these arrangements is encouraged by law (The Common Grant Rule), but FTA has proscribed their use by striking reference to them in the latest version of its “Third Party Contracting Guidelines”. These schedules allow procurement cooperatives greater flexibility to assist small rural transit agencies, non-profits and tribes that do not have procurement staff and are unable to join joint procurements in buying vehicles from a federally compliant procurement schedule. Local Governments who are FTA recipients are end users of the products such as rolling stock and bus shelters and have an intimate knowledge of the necessary specifications and service requirements which large state procurement divisions by nature cannot have.
- CTAA and its members fully support Buy America. We recommend changing its implementation to allow for one-time Buy America vehicle certifications performed by FTA or another entity. Once a vehicle is certified to meet Buy America, any transit agency or state DOT should be able to purchase that vehicle without needing to do another — redundant, costly and inefficient — Buy America certification.
- CTAA and its members believe that the best decisions about the types of buses deployed in communities are made at the local level by agency directors, their Boards and local officials. Dedicated bus capital funds are vital to CTAA’s members, but these important investments must be flexible to allow systems to buy the right rolling stock for their operations and not force them into technologies that don’t work for them.
- As CTAA members’ vehicles reach the end of their useful lives, and there is no remaining federal financial interest in that asset, CTAA proposes that the transit agency retain 100 percent of any proceeds arising from its sale or disposition, regardless of amount.

Common-Sense Solutions to Labor Shortages

Even prior to the pandemic, many CTAA member agencies were experiencing chronic labor shortages that often impacted their ability to fully serve their communities and passengers. The challenges attracting and retaining front-line workforce remains a challenge for many CTAA members. We recommend the following:

- CTAA and its members support an exemption to the Commercial Driver's License (CDL) to allow State Driver Licensing Agencies to waive the "under the hood" portion of the pre-trip vehicle inspection skills test requirement (currently required under 49 CFR 383.113(a)(1)(i) for public transit. This small change will make a big difference in the time and way in which transit agencies on-board new drivers.
- Many CTAA members use volunteer drivers to serve their communities. CTAA recommends increasing the federal reimbursement rate for volunteer drivers to match the rate set by the IRS for business mileage (70 cents per mile). CTAA has endorsed and actively supported Rep. Stauber's Volunteer Driver Tax Appreciation Act of 2024, which accomplishes this important change.

Helping Smaller Transit Operators Serve the Communities in Emergencies

Last year, several CTAA members heroically served their communities in Western North Carolina and East Tennessee in the aftermath Hurricane Helene. They transported National Guard members and other aid workers, they continued to serve their most critical dialysis trips and they helped transport needed supplies throughout the region. CTAA would like the subcommittee to consider appropriate investment to FTA's Emergency Relief Program (Section 5324) to help offset the extraordinary costs of smaller transit agencies providing these critical services to their community and for lost operating costs, in addition to capital, to be eligible for these critical funds.

In Conclusion

The nation's other transit network is a highly effective and efficient collection of smaller providers that coordinate a variety of funding sources and contracts into vital mobility that is focused on the needs of their communities and passengers. No two operators are alike, because no two service areas are the same.

But what is consistent among all of these systems is a commitment to serve. CTAA's members have always understood the value of their services because they are an active and engaged part of the communities that they serve. Thank you for allowing us to tell that story today.