

TESTIMONY OF
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ON BEHALF OF THE
AMERICAN PUBLIC TRANSPORTATION ASSOCIATION (APTA)
BEFORE THE
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT
OF THE
U.S. HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
ON
“ALIGNING FEDERAL SURFACE TRANSPORTATION POLICY TO MEET
21ST CENTURY NEEDS”

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SUBMITTED BY
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The American Public Transportation Association is a nonprofit international association of more than 1,500 public- and private-sector organizations, which represents a \$71 billion industry that employs 430,000 people and supports millions of private-sector jobs. APTA members are engaged in the areas of bus, paratransit, light rail, commuter rail, subways, waterborne services, and intercity and high-speed passenger rail. This includes: transit systems; planning, design, construction, and finance firms; product and service providers; academic institutions, transit associations and state departments of transportation. APTA is the only association in North America that represents all modes of public transportation. APTA members serve the public interest by providing safe, efficient, and economical transit services and products.

Introduction

Chairwoman Norton, Ranking Member Davis, and Members of the Subcommittee on Highways and Transit, on behalf of the American Public Transportation Association (APTA) and its more than 1,500 public- and private-sector member organizations, thank you for the opportunity to testify on Aligning Federal Surface Transportation Policy to Meet 21st Century Needs.

My name is Michael Terry, and I am the President and Chief Executive Officer (CEO) of the Indianapolis Public Transportation Corporation, also known as IndyGo. I joined IndyGo in 2003 as the Vice President of Business Development and have served as President and CEO for more than a decade.

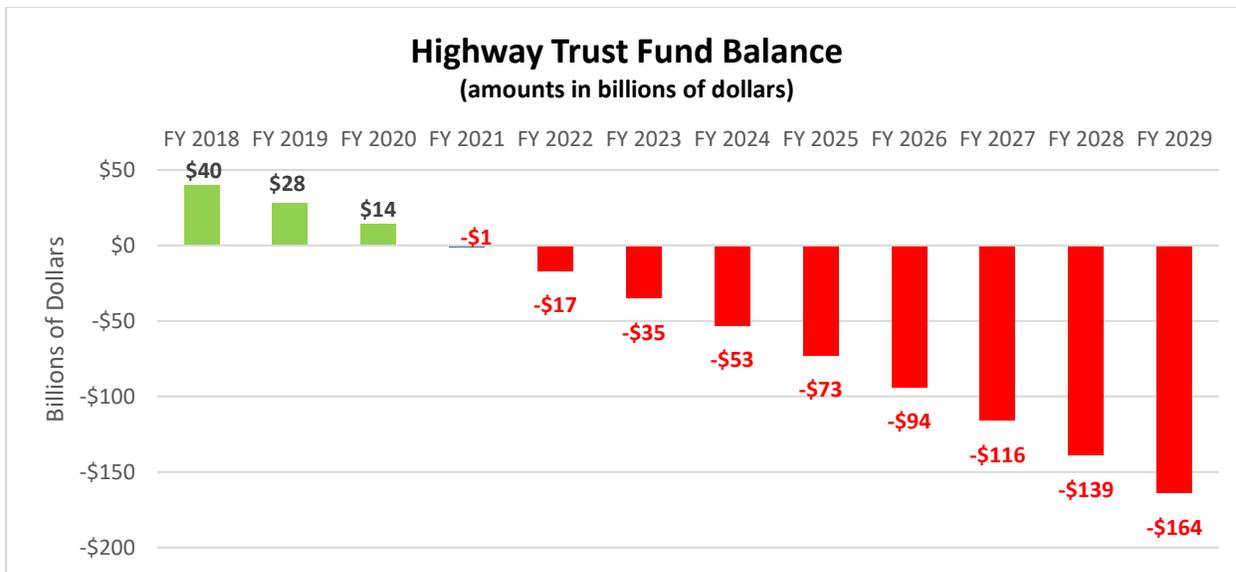
IndyGo is the largest public transportation agency in the state of Indiana. Our service is 100 percent bus operations. As a county agency, we serve more than 820,000 people, operating approximately 160 vehicles over 400 square miles. Our paratransit service provides critical curb-to-curb service for residents with disabilities anywhere in the county. We leverage federal and local dollars to enhance frequency and grow capacity, reliability, and efficiency. Last year, we invested in additional service frequency on our busiest routes, and were able to increase monthly ridership by an average of four percent. We are grateful for the federal and local partnerships that are making IndyGo's expansion possible.

Today, I would like to share with the Subcommittee some of the important concepts that APTA is considering as we look to the next surface transportation authorization that will succeed the *Fixing America's Surface Transportation Act* (FAST Act) (P.L. 114-94). While APTA is still in the process of finalizing its recommendations, here are some important considerations for enhancing federal public transportation policy:

The Solvency of The Highway Trust Fund

APTA's top legislative issue is ensuring the solvency of the Highway Trust Fund. The backlog of transit state-of-good-repair needs is more than **\$90 billion** and growing. APTA has long supported increased dedicated federal revenues to the Highway Trust Fund for programs that support the national transportation network, cost-effectively address the problem of deferred maintenance, and enable public transportation agencies to meet growing demands for increased mobility.

It has been more than **25 years** since Congress last raised the federal fuel taxes that primarily support the Highway Trust Fund, and the purchasing power of this revenue has decreased by more than **40 percent** over that time. Current revenues deposited into the Highway Trust Fund are insufficient to support the existing federal highway and public transportation programs without significant general fund contributions. This status quo is unsustainable and tough choices need to be made by Congress.



Source: Highway Trust Fund estimates based on Congressional Budget Office data (January 2019) and include funds necessary to maintain account “prudent balances” for cash management purposes, as estimated by the U.S. Department of Transportation.

The Government Accountability Office (GAO) recognizes the urgency and critical importance of long-term, sustainable surface transportation funding. Last week, GAO noted, in its 2019 High-Risk Series report, that “the nation’s surface transportation system—including highways, transit, maritime ports, and rail systems that move both people and freight—is under growing strain...the cost to repair and upgrade the system to meet current and future demand is estimated in the hundreds of billions of dollars.”¹ Although funding the nation’s surface transportation system has been on GAO’s High-Risk list for more than a decade, Congress has not provided the necessary resources or dedicated funding to address these critical issues.

In January 2018, the U.S. Chamber of Commerce proposed a plan to increase the federal motor vehicle fuel user fee by five cents per year over five years (Total: 25-cent increase). APTA strongly supports this plan and our Board of Directors has specifically endorsed it. We also support any other reasonable, bipartisan plan to increase dedicated revenues to the Highway Trust Fund. Our most important issue continues to be the long-term solvency of the Highway Trust Fund, and we stand ready to work with Congress to advance this critical priority.

Dedicated Federal Funding for Public Transportation

Public transportation represents a \$71 billion industry that directly employs 430,000 people and supports millions of private-sector jobs. Public transportation supports economic development, produces a safer, more efficient transportation system, connects people with jobs and employers with potential workers, and supports national priorities. APTA continues to advocate for

¹ Government Accountability Office, HIGH-RISK SERIES: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas, March 6, 2019, 86-90.

increased investment in public transportation from all levels of government, but the federal partnership remains absolutely critical. States and public transportation agencies need predictable federal funding to support long-term planning and multi-year capital projects.

Dedicated and sustained federal funding for public transportation complements the unprecedented contributions already made by states and local governments to operate and maintain these services. In recent years, several states have raised motor fuel taxes and localities have raised other taxes that help pay for surface transportation, including public transportation. In 2018, voters approved **82 percent** of transit ballot initiatives, which increased or secured revenues for public transit investment. However, the success of these local initiatives depends on a strong federal partnership.

IndyGo can attest to the importance of ensuring a federal role in public transportation. In 2016, Marion County voters and leaders passed a local income tax referendum of 0.25 percent to support the implementation and operation of the Marion County Transit Plan (Transit Plan). The Transit Plan is transforming IndyGo by laying the foundation for expanded frequency and hours of service for our fixed-route local network, which will amount to a 70 percent increase in service. Without a federal partner, we would not be able to effectively operate the increased local network and three rapid transit corridors that will provide this high-quality public transportation service. Several core capital improvements are necessary, and U.S. Department of Transportation grants have been critical to the success of our Transit Plan.

Capital Investment Grants

Capital Investment Grants (CIG) are a vital public transportation investment for APTA members, including IndyGo. The CIG program provides grants for fixed-guideway investments, such as new and expanded subways, light rail, commuter rail, streetcars, bus rapid transit (BRT), and ferries. We are extremely grateful for Congress' continued recognition of the importance of the CIG program by providing appropriations higher than the \$2.3 billion provided in the FAST Act in each of the past three fiscal years (Fiscal Years 2017- 2019).

IndyGo has accessed the critical CIG program to build an enhanced bus network—the Red Line. The Red Line received a Small Start grant, one of four categories of projects in the CIG program, in May 2018. IndyGo will operate full battery-electric BRT vehicles on these critical, high-volume corridors. Further, IndyGo also has two BRT projects in the CIG pipeline—the Blue Line Rapid Transit and the Purple Line Rapid Transit. These projects are along two corridors that currently are among IndyGo's most productive, frequent, high ridership routes. The BRT projects will upgrade service on the corridors to rapid service to ensure an even more seamless travel experience for our riders.

The importance of this public transportation capital program cannot be overemphasized. Unfortunately, the CIG program has shifted from an efficient public transportation capital program that can build good projects while protecting taxpayer dollars to a grant program that

has requirements above and beyond that of comparable modes—such as highway grant programs.

We believe Congress must change the program to make it more efficient. Currently, CIG project sponsors must navigate a bureaucratic maze over multiple years to receive a grant agreement. Beginning with enactment of the Transportation Equity Act for the 21st Century (TEA 21) in 1998, both Congress and the Federal Transit Administration (FTA) have repeatedly layered additional requirements on the CIG program. APTA anticipates endorsing a zero-based review of the CIG program to eliminate unnecessary statutory, regulatory or policy requirements.

We urge Congress to adopt provisions that will strengthen the CIG program and ensure that these critical public transportation projects across the country are delivered in a timely manner.

Safety

Safety is the public transportation industry's top priority. Research shows that modest increases in public transportation ridership in a metropolitan area can cut traffic fatalities by 40 percent. Today, traveling by public transportation is 10 times safer for passengers than traveling by car. Providing more and improved public transportation is one of the most powerful traffic safety tools that a community can employ to help reduce the more than 37,000 traffic deaths per year on our nation's roadways.

Our members view safety as an essential and primary component to ensuring customer satisfaction and providing seamless service. The FTA's State Safety Oversight (SSO) Program outlines minimum safety requirements for passengers and agency employees. APTA is proud that 30 states have achieved their SSO Program certifications well before the statutory deadline. The FTA is reviewing the final, multi-state certification (Metrorail Safety Commission) and we are very hopeful that the Commission will receive its certification prior to the April 15, 2019 deadline.

Moreover, our commuter railroads are committed to making rail travel even safer with full implementation of Positive Train Control (PTC). As a result of this commitment, some commuter railroads have completed PTC implementation and others are on the path to fully implement PTC by the end of 2020. While implementation of PTC is a critical safety overlay, the industry takes a comprehensive approach to safety that includes multiple essential safety countermeasures. Those measures include reducing operator fatigue, implementing new safety monitoring equipment like inward- and outward-facing cameras, addressing grade-crossing and trespassing incidents, and conducting rigorous safety audits.

The public transportation industry has an incredibly strong safety record. We are grateful for the work that this Subcommittee has done to make our nation's surface transportation safer.

The Evolving Mobility Landscape

Advances in technology have allowed vehicles to operate with increased autonomy and efficiencies. Data capabilities have evolved and enable effortless trip planning and streamline information sharing, and new business platforms have supported the explosion of ride-hailing and bike-sharing services. According to a recent APTA study, *The Transformation of the American Commuter*, 77 percent of Americans say public transportation is the backbone of a multi-transit lifestyle.² APTA is leading the charge to support public transportation agencies' efforts to implement innovative mobility management strategies, including introducing cutting-edge technologies and integrating new service delivery approaches.

At IndyGo, we have embraced the new mobility paradigm. One of our core strategic principles is to advance mobility as a catalyst for success. Many areas outside the core of Indianapolis are not developed in a way that is ideal for public transit. Many suburban neighborhoods built in the 1960s through the 1990s are extremely car-centric in design—single family, detached homes on large lots in cul-de-sac developments. To better reach these sprawling neighborhoods, IndyGo is collaborating with a multi-sector collective to integrate multiple modes of transport to enhance access beyond where transit will be successful. We envision a connected, on-demand network of car sharing, ride hailing, bike sharing and other new mobility options to create first- and last-mile connections. For example, in fall 2018, IndyGo partnered with Lyft and BlueIndy (an electric car service) on a program to incentivize Indianapolis residents to utilize several mobility options into their daily lives. It was a great success. In addition, leveraging an FTA technical assistance grant, we are building a new account-based fare system, which in the future will serve as the financial infrastructure to facilitate seamless connections to other modes.

IndyGo is an early adopter of electric bus technology. IndyGo has leveraged \$10 million in federal funding to acquire 21 fully electric vehicles, with operating costs one-fourth the amount of a traditional diesel bus. IndyGo plans to substantially upgrade its aging fleet (of which 44 percent have surpassed their useful life), replacing all of its diesel buses with electric vehicles by 2032. It will also install bus charging infrastructure along its routes. Another federal grant was leveraged to install a solar array on the roof of its main garage. This solar infrastructure is generating enough power to offset the increased electric demand from charging requirements—13 of the existing 21 electric bus fleet are being charged by the power generated by the solar array.

Given the rapid changes in technology and mobility, public transportation has a key role in the transportation network. With an upcoming surface transportation authorization bill, Congress needs to ensure that public transportation agencies have the flexibility to meet changing mobility needs.

² American Public Transportation Association, *The Transformation of the American Commuter*, December 2018, 1-3.

Conclusion

As President and CEO of IndyGo for the past decade, I have seen the tangible and very real benefits that public transportation provides to residents, communities, and our nation. Public transportation not only spurs economic growth, but reduces congestion, improves air quality, saves time and money, and advances an equitable and better quality of life for our communities. It is imperative that a continued federal partnership with a dedicated source of funding remains a core principle of the next surface transportation authorization act.

On behalf of APTA, thank you for including us in this important discussion as the Subcommittee begins developing the next surface transportation bill. As APTA continues to move forward with finalizing its surface transportation authorization proposal, we very much welcome the opportunity to continue the conversation and stand ready to assist in advancing our mutual objectives.