

**STATEMENT OF
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BEFORE THE

**SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN
DEVELOPMENT AND RELATED AGENCIES,
COMMITTEE ON APPROPRIATIONS,
U.S. HOUSE OF REPRESENTATIVES**

March 19, 2015

Mr. Chairman, Ranking Member, and Members of the Subcommittee:

Thank you for the invitation to appear before you today to discuss the President's Fiscal Year (FY) 2016 Budget request for the Federal Transit Administration (FTA).

The FY 2016 Budget request marks the first year of the President's six-year \$478 billion surface transportation reauthorization plan, GROW AMERICA, of which \$115 billion supports our nation's public transportation system. In 2014, we saw record transit ridership – 10.8 billion trips taken on public transit - the highest annual ridership number in 58 years.

The GROW AMERICA Act and this Budget request continue the focus on three key FTA priorities: improving transit safety – FTA's highest priority; addressing the \$86 billion transit asset backlog; and building system capacity to meet growing ridership demand. To that end, the FY 2016 Budget requests \$18.4 billion, an increase of \$7.4 billion, or 67 percent, over the FY 2015 enacted level to strengthen transit safety oversight, bring our Nation's bus and rail transit infrastructure into a state of good repair, and provide new and expanded transit systems in many communities. Below are the highlights of our investment priorities for FY 2016:

SAFETY

Public Transportation Safety

The FY 2016 budget includes \$23 million to provide operational support for State Safety Oversight (SSO) programs (49 U.S.C. 5329). MAP-21 gave FTA authority to establish safety criteria for all modes of public transportation and establish minimum safety standards for public transportation vehicles used in revenue operations. Keeping rail public transportation safe requires a partnership between FTA and states with SSO obligations—one in which FTA will act as a leader, facilitator, and final regulatory authority and the SSOs will serve as effective day-to-day safety regulators capable of holding transit rail systems accountable for safe operations and ensuring they comply with minimum state and federal safety standards. The proposed SSO rule reflects the flexible, scalable principles of Safety Management Systems that focus on organization-wide safety policy, proactive hazard identification and risk informed decision-

making as part of risk management, safety assurance, and safety promotion (safety training and communications). FTA published the SSO Program Notice of Proposed Rulemaking (NPRM) on February 28, 2015, laying out a framework for these operations, and comments are requested by April 28, 2015.

In order to assess the strengths and weaknesses of safety operations, FTA is aggressively using its new safety authorities to examine the Chicago Transit Authority's safety program, which will soon be concluded, and to conduct a Safety Management Inspection of the Washington Metropolitan Area Transit Authority, which began earlier this month.

FTA also recently published the Final Interim Safety Training Certification requirements, as required by MAP-21 and we are working on the remainder of the rulemakings for the National and Agency Level Safety plans, and Transit Asset Management. Together, this framework will ensure safety standards are in place at each transit system across the country to protect the riding public and transit agency employees. There will be several rulemaking actions on these issues in 2015.

Emergency Relief

The FY 2016 budget requests \$25 million to capitalize the Emergency Relief Program (49 U.S.C. 5324), which provides capital and operating assistance to help transit agencies restore needed public transportation services immediately following disasters.

While Congress appropriated \$10.9 billion for Hurricane Sandy emergency relief efforts, these funds are only available for areas affected by Sandy. Congress did not appropriate funds for this program in FY 2013, FY 2014, or FY 2015, leaving the agency with no funds to immediately address any new disasters.

Washington Metropolitan Area Transit Authority (WMATA)

The FY 2016 budget includes the yearly payout of \$150 million, authorized by the 2008 PRIIA law, to help bring WMATA's system into a state of good repair and improve the safety and reliability of its transit service. The Secretary will continue to use his authority to approve grants under this program to ensure that funds first address WMATA's most critical safety needs.

STATE OF GOOD REPAIR (49 U.S.C. 5337 & 5339)

Returning transportation assets to a state of good repair is a strategic goal for the Department of Transportation (DOT) and a high priority for FTA. Well-maintained infrastructure investments have long-term economic benefits for the nation, but those benefits are not fully realized because of years of underinvestment and neglect. This is evident in the DOT's 2013 Conditions and Performance Report to Congress, which found an \$86.6 billion maintenance backlog of bus and rail assets that are in marginal or poor condition. The backlog continues to grow at an estimated rate of \$2.5 billion per year with current investment levels.

For FY 2016, the budget request totals \$7.6 billion to support FTA's State of Good Repair efforts, and includes \$5.7 billion for State of Good Repair Grants (49 U.S.C. 5337) and \$1.9 billion for Bus and Bus Facilities Grants (49 U.S.C. 5339). These programs focus on restoring and replacing

aging transportation infrastructure primarily through formula-based capital investments for fixed guideway systems, buses on high-occupancy vehicle lanes, and other bus systems. The GROW AMERICA proposal includes a discretionary element to the Bus and Bus Facilities grant program (70 % formula, 30 % discretionary) which will help address bus system capital investments, such as bus fleet replacements, and intermodal and maintenance facilities.

To ensure that investments are made wisely and improve asset conditions, transit agencies must develop a Transit Asset Management plan that tracks projects funded with State of Good Repair Grants. These plans will aid in the management and reporting of the condition of capital assets, as well as enable FTA and grantees to make evidence-based investment decisions. Strategic and targeted investments focused on replacing and rehabilitating aging transit infrastructure are needed to help bring our Nation's bus and rail systems into a state of good repair. Having newer and more reliable track, signal systems, vehicles and stations will help ensure the safe and dependable transit service demanded by the American public.

ENVIRONMENTAL SUSTAINABILITY

From a transportation emissions and fuel consumption standpoint, transit sets the standard among transportation modes for environmental sustainability. For this reason, FTA strives to find ways to encourage the public to take transit as well as to make transit systems themselves more energy efficient. For FY 2016, FTA proposes \$26 million in funding for Transit Research programs. These programs support research activities that improve the safety, reliability, efficiency, and sustainability of public transportation systems through investments in the development, testing, and deployment of innovative technologies, materials, and processes.

ECONOMIC COMPETITIVENESS

Urban and Rural Area Formula Grants (49 U.S.C. 5307 & 5311)

Transit systems across the country play a vital role in connecting tens of millions of Americans each day to jobs, employment training, medical appointments, family, and schools and colleges. The FY 2016 budget includes nearly \$4.5 billion for FTA's Urbanized Area Formula Grants Program and \$622 million for its Rural Area Formula Grants Program to provide on-going support for these riders and transit services nationwide. These programs provide both capital and, in some instances, operating assistance through predictable and dedicated formulas written by Congress that support transit agencies in urban and rural communities.

Capital Investment Grants (49 U.S.C. 5309 - New Starts/Small Starts/Core Capacity)

The FY 2016 budget requests \$3.25 billion for the Capital Investment Grant program – an increase of \$1.1 billion, or 53 percent, above the FY 2015 enacted level – to enable FTA to continue to partner with communities around the nation expanding transit service by undertaking major new projects or extensions to existing projects. Included in the total is \$351 million for Core Capacity projects that improve the capacity of existing fixed guideway transit services in corridors that are currently over capacity, or will be in five years, and are in need of expansion to better serve riders.

Additionally, \$320 million will support a new category of ‘Accelerated Project Delivery and Development’ for projects in the Capital Investment Grants program. This program would support projects currently in the program pipeline that were unable to receive a rating and funding recommendation at the time of the President’s FY 2016 budget submittal, but potentially could receive an acceptable rating of Medium or higher prior to the end of FY 2016. This category would allow eligible projects to move forward in a timely manner, without having to wait for the next Presidential Budget cycle.

Rapid Growth Area Transit

The FY 2016 budget includes \$500 million for a new Rapid Growth Area Transit Program, a discretionary program directed at fast-growing communities. The program will provide quick access to resources for bus rapid transit (BRT) services for communities across the country that are experiencing significant population growth and transit ridership growth. Such growth, while good for the economy, also strains the existing transportation system, leads to congestion, and will eventually result in poor air quality. BRT services can often be implemented in communities more quickly than other major capital investments to help get ahead of the congestion that can come from rapid population growth.

Fixing and Accelerating Surface Transportation (FAST)

The FY 2016 budget includes \$500 million for a new competitive grant program jointly designed to spur major reform in the way States and metropolitan regions make transportation policy and investment decisions, and to encourage new and innovative solutions to transportation challenges. The FAST program will use competition and a sizable monetary incentive to reward long-term, systematic innovation and reform in our Nation’s transportation system. FAST will be jointly administered by the Federal Highway Administration, which is also requesting \$500 million in its budget.

QUALITY OF LIFE IN COMMUNITIES

FTA’s FY 2016 budget request includes a total of \$162 million to improve the Quality of Life in Communities. This amount includes \$132 million for transportation investment planning by Metropolitan Planning Organizations (MPOs) and States (49 U.S.C. 5303/5304/5305) and \$10 million for planning transit oriented development projects (Subsection 20005(b)).

The FY 2016 budget request also includes \$20 million under its Human Resources and Training program (49 U.S.C. 5322), a \$19.5 million increase over the FY 2015 enacted level. This will provide human resources and workforce development programs to the transit industry, including targeting outreach efforts to increase minority and female employment and training and assistance for minority business owners.

Finally, the FY 2016 budget request supports improved access to transportation services for seniors and individuals with disabilities by requesting \$264 million for the Enhanced Mobility of Seniors and Individuals with Disabilities formula program (49 U.S.C. 5310). These individuals can face significant challenges, including increased poverty, isolation, and the struggle to access medical care, and the Department is committed to improving their mobility.

ORGANIZATIONAL EXCELLENCE

The FY 2016 budget requests \$114 million and 580 full-time equivalents (FTEs) to rebalance FTA's workforce with its workload, complete the staffing plan for the Office of Safety and Oversight, and improve the oversight of the tens of billions of dollars funding projects under construction nationwide. FTA has operated with roughly the same staffing level – slightly more than 500 FTE -- for more than a decade while FTA program funds and requirements in SAFETEA-LU and MAP-21 have grown significantly.

CONCLUSION

In total, the President's FY 2016 budget request supports the construction, maintenance, and operation of public transit systems nationwide that improve mobility and access to jobs for millions, while expanding the capacity of our transportation networks, preserving our legacy systems, and improving the quality of life in our communities.

Thank you again for the opportunity to share the President's budget plan for public transportation with you today. I look forward to working with this Committee and am available to answer your questions.