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

Thank you for inviting me to appear before you today to report on the Federal Transit Administration's (FTA) progress toward implementing public transportation assistance programs under the Moving Ahead for Progress in the 21st Century Act (MAP-21) and to provide highlights of the President's bold vision for FTA's Fiscal Year (FY) 2015 budget proposal.

MAP-21 codifies some of President Obama's highest priorities for enhancing the safety of public transportation, strengthening our nation's transportation infrastructure, and streamlining government to serve taxpayers' needs more efficiently--all at a time when national transit ridership is on track to exceed 10 billion trips annually for the seventh year in a row.

The President's comprehensive four-year reauthorization plan will put our country on a path to adequately invest in transit safety, expansion, state of good repair, and augmenting core capacity at congested urban corridors. . These investments are needed to create the 21st century public transportation systems our nation deserves and needs to be competitive. Consistent with the President's plan, for FY 2015, FTA seeks $17.6 billion in funding--an increase of $6.8 billion or 63 percent over the FY 2014 enacted level.

The President's four-year reauthorization plan and our FY 2015 budget request continues FTA's focus on key priorities including improving safety; bringing transit assets into a state of good repair; and building system capacity to meet growing ridership demand. MAP-21, which took effect on October 1, 2012, authorized $10.6 billion in FY 2013 and $10.7 billion in FY 2014 for public transportation. FTA continues to make significant progress towards implementing MAP-21, including initiating a number of important regulatory changes and developing related guidance, with ample input from affected stakeholders. FTA's aggressive timetable helps to ensure that the American people reap the benefits associated with investing in public transportation services.

Despite our accomplishments thus far, which are discussed below, we continue to deal with funding challenges. Annual funding constraints imposed by the full FY 2013 and the partial FY 2014 continuing resolutions, coupled with cuts imposed by sequestration—including a $5 million cut in our administrative budget—has reduced our ability to move implementation forward at an even more rapid pace. FTA has approximately the same number of positions as it did in 1980; however, today FTA is responsible for three times as many statutory programs as in 1980 anda budget that has increased significantly over the years. This fact, together with the cuts to our

administrative budget, the government shut-down and the need to address recovery and relief efforts following Hurricane Sandy, have slowed our ability to implement significant new safety authority and decreased our capacity to exercise oversight over the agency's $10.5 billion budget and support stakeholders. In order to adequately administer FTA's programs, we require not less than the $114,400,000 requested in FY 2015 budget.

Fortunately, after a very challenging year for the FTA's Capital Investment Grant (CIG) Program – one in which sequestration and other budget cuts forced FTA to be unable to keep its funding promises and make new recommendations for the first time in decades - FY 2014 offers brighter prospects. Notably, the Consolidated Appropriations Act allows us to honor our existing funding commitments through the CIG Program and to fund new projects previously recommended for New Starts/Small Starts funding.

Below we highlight our priorities for investment in FY 2015.

Safety Authority

I. Public Transportation Safety Program

MAP-21 gave FTA long-sought authority to establish safety criteria for all modes of public transportation and establish minimum safety standards for public transportation vehicles used in revenue operations. And the President's comprehensive four-year authorization plan will further refine and strengthen these authorities. Implementing the new safety provisions in MAP-21 has been among our highest priorities. In October 2013, FTA issued an expansive Advanced Notice of Proposed Rulemaking (ANPRM) requesting comment by January 2, 2014 on a number of questions related to the implementation of the new MAP-21 requirements for a National Transit Safety Plan, for Transit Agency Safety Plans, a Safety Certification Training Program, and a National Transit Asset Management System. The ANPRM heralds the adage that keeping transit systems in good working order goes hand-in-hand with efforts to keep them safe. Just as importantly, FTA knows that it cannot implement this program alone, and the ANPRM gives industry leaders the chance to weigh in and shape the new safety rules as early as possible. FTA is currently reviewing over 2,500 pages of comments submitted by safety advocates, industry leaders and the general public on key topics. FTA is sensitive to stakeholder concerns about this new safety oversight authority and will build a 21st Century regulatory program over the next several years only after careful consideration of all comments.

The establishment of a new safety office is another FTA achievement under MAP-21. The Office of Transit Safety and Oversight is responsible for administering and overseeing the National Transit Safety Program. However, keeping rail public transportation safe requires a partnership between FTA and states with state safety oversight (SSO) obligations—one in which FTA will act as a leader, facilitator, and final regulatory authority and 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 safety standards. To support this partnership, FTA has reached out to the 31 states with SSO obligations for safe rail transit, providing technical assistance where necessary, to ensure that their programs will conform to MAP-21's requirements. Additionally, FTA will work to adapt a comprehensive safety approach to all modes of public transportation, including the bus segment, within its safety authority.

Last week, FTA finalized the formula for SSO grants and released both the fiscal year 2013 and 2014 funds for obligation. The FY 2015 budget request includes $23 million so that FTA can

continue to provide operational support for SSO programs. Uniform standards together with these resources will improve public health and safety by reducing public transportation-related fatalities and injuries across the country.

II. Public Transportation Emergency Relief Program

FTA has been very aggressive in implementing the provisions of MAP-21's emergency relief program, which provides disaster assistance to transit agencies in the wake of major natural disasters and other emergencies. The authorization of this new program arrived just in time for Hurricane Sandy, which, based on the extent of storm damage, was the worst public transit disaster in the history of the United States. The Disaster Relief Appropriations Act of 2013 appropriated $10.9 billion for the Emergency Relief Program for recovery, relief, and resiliency efforts in areas affected by Hurricane Sandy. Unfortunately, sequestration reduced this amount by $545 million The bill enabled funds to be transferred to other DOT modes; those transfers have totaled $191 million to date., FTA has allocated $10.2 billion in multiple tiers. Approximately $3 billion of the total will be awarded on a competitive basis for resilience projects that protect critical transit infrastructure from being damaged or destroyed by future natural disasters.

While we have been extraordinarily responsive to the needs in the wake Hurricane Sandy, at present, FTA has only those emergency relief funds that Congress made available exclusively for Sandy. Despite previous FY budget requests, Congress did not appropriate funds for this program in FYs 2013 and 2014 leaving the agency with no funds to address a new disaster during the remainder of the fiscal year. The Administration encourages Congress to appropriate the $25 million requested for this program in FY 2015 so that if another unfortunate disaster strikes and takes public transportation systems offline, FTA will be in a position to respond immediately.

Given the funding for Sandy, FTA was quick to issue an interim final rule that established eligible activities, processes, and procedures for applying for grants. After considering comments, FTA expects to publish a final rule this summer.

State of Good Repair

The Administration has made increased funding for state of good repair purposes a centerpiece of its annual budget requests, and for FY 2015, has requested a total of $7.7 billion for its State of Good Repair and Bus and Bus Facilities Formula Grant Programs. Since 2008, FTA has highlighted the critical need to bring the nation's aging transit assets into a state of good repair, especially in large urban areas, and to hold transit agencies accountable for implementing a more strategic approach to managing the lifecycle of assets. Well-designed infrastructure investments have long-term economic benefits, but those benefits are not being fully realized because of years of under-investment in maintaining and recapitalizing our public transportation system. To help address this crisis, FTA has obligated $1.9 billion—about one-fifth of our share of funds under the American Recovery and Reinvestment Act of 2009 for bus and rail and related equipment and facilities rehabilitation projects. We also allocated more than $2.2 billion in discretionary bus funds over the last four years for bus and bus-related equipment and facility rehabilitation needs.

The Department of Transportation's recent report, *2013 Status of the Nation's Highways, Bridges and Transit: Conditions and Performance*, based on 2010 data, finds that the nation's state of good repair and preventive maintenance backlog for transit is at an all-time high of $86 billion. The report indicates that as much as $24.5 million from all sources of Government is needed per year for 20 years to improve the condition of transit rail and bus systems and buy down that backlog. Meanwhile, State and local governments, combined with the transit agencies' funding, are shouldering approximately 80 percent of the cost of annual investments to preserve, grow, and operate the nation's transit systems. Making a down payment on this substantial backlog is critical to not falling farther behind in our commitment to modernize the transportation infrastructure that tens of millions of riders depend on every day and to compete in the 21st Century**.**

Fixed Guideway and Transit Asset Management

MAP-21 incorporated FTA's proposal on this essential area by creating a more needs-based state-of-good-repair formula program for fixed guideway systems. The purpose of the State of Good Repair Grants program is the maintenance, replacement, and rehabilitation of fixed guideway capital assets, along with the development and implementation of transit asset management plans. This new program helps to address public transportation state-of-good-repair needs, so fixed guideway agencies have a predictable two-year stream of Federal funds to help them address an enormous maintenance and repair backlog.

As of February 28, 2014, FTA has awarded 92 formula grants funded by the State of Good Repair Program for over $921.6 million. The FY 2014 apportionments were published in the *Federal Register* earlier this week. FTA has requested an additional $5.719 billion to support the program in FY 2015, of which $3.55 billion represents Fix-It-First funding.

FTA recognizes that while a sustained Federal contribution to our state-of-good-repair needs is in the best interest of our nation's public transportation systems, this problem cannot be solved by Federal action alone. Tackling this problem requires a concerted effort by Federal, state, and local resources in a coordinated, strategic manner. That is why FTA is establishing a national Transit Asset Management (TAM) System. The TAM program authorized under MAP-21 is vitally important to carrying out infrastructure investments effectively and responsibly.

This innovative program requires all FTA funding recipients to adopt a strategic and individual approach for managing their capital assets and be accountable for leveraging all available resources to bring their systems into a state of good repair. A strategic approach to ensure that assets are in a state of good repair will be bolstered by the requirement that the Metropolitan Planning Organizations and transit providers set investment targets in their transportation improvement program to demonstrate recipients are meeting Federal safety and TAM goals. However, FTA is sensitive to the unique needs of our largest and smallest public transit providers – so we recognize that state of good repair and transit asset management programs cannot be a one-size-fits-all proposition.

FTA has sponsored a successful public dialogue with over 700 stakeholders to obtain critical input on policy implementation. Subsequently, FTA used the aforementioned Safety ANPRM as an appropriate vehicle for seeking public comment regarding the requirements of the national TAM System. This includes proposed options under consideration for defining and measuring state of good repair, and the relationship among safety, transit asset management and state of

good repair. Comments we received on the ANPRM will be very helpful to us in drafting a proposed definition of state of good repair in the future rulemaking on TAM.

FTA will solicit comments in the *Federal Register* on ways to improve how asset inventories and asset conditions are reported to its National Transit Database—an important first step toward refining estimates of the nation's transit state-of-good-repair backlog. This is a very important initiative that will assist FTA in ensuring that local transit investment financed with Federal dollars are being effectively targeted to a transit agency's greatest needs. It will also assist us in ensuring that Federal investments are being well-managed and well-utilized.

Bus and Bus Facilities Formula Program

MAP-21 followed the Administration's request to fold the discretionary bus program into a formula program. This capital program provides funding to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities. MAP-21 authorized $422 million in FY 2013 and $428 million in FY 2014 for this program. We have heard from our stakeholders that annual funding under this program is insufficient to meet rural bus acquisitions due to replacement or expansion needs once distributed by formula among hundreds of recipients. And data show that about 40 percent of bus assets are in marginal or poor condition.

To help address this need, the FY 2015 President's budget includes $1.93 billion to further promote bus and bus facility recapitalization, a more than threefold increase in funding. The budget also proposes that 30 percent of the funding be discretionary grants to help address one-time large investments that a formula program cannot address. The remaining 70 percent will be distributed by formula. Of that amount, $1.51 billion is provided from Fix-It-First funding.

Economic Competitiveness

Mobility is critical to our nation's economy. FTA's Capital Investment Grants Program, its newly proposed Rapid Growth Area Transit Corridor Program, and its continued investment in providing "ladders of opportunity" through workforce development opportunities support this goal.

Capital Investment Grants (New Starts/Small Starts)

The FY 2015 budget request of $2.5 billion for Capital Investment Grants signals the Administration's continued commitment to important and strategic investments in public transportation infrastructure. To get the most out of the money we have, we have to address the cost of projects by reducing red tape. Over the past year, FTA has streamlined its New Starts and Small Starts Capital Investment Program through a final rule and accompanying guidance, which will help local project sponsors potentially shave six months or more off the time required to move major projects through the New Starts pipeline. FTA now has a more straightforward approach for measuring a proposed transit project's cost-effectiveness; has added economic development factors into the ratings process; and is now considering an expanded range of environmental benefits.

FTA has recently rolled out a new tool to help project sponsors estimate transit trips on proposed projects. The new method, known as Transit STOPS (Simplified Trips-on-Project Software), will enable some communities to reduce from two years to two weeks the time needed for project

sponsors to develop ridership forecasts on planned projects. This new tool could save taxpayers in communities that do not currently have travel forecasting tools as much as $1 million. These internal steps, as well as the measures to be proposed in the President's comprehensive four-year reauthorization plan, will move us toward fulfilling the President's stated goal of cutting in half the permitting and approval time for major infrastructure projects.

Rapid Growth Area Transit Program

The FY 2015 budget request includes $500 million for a new Rapid Growth Area Transit Program, a discretionary program directed at fast growing communities. The program will provide expeditious access to resources for bus rapid transit (BRT) services to meet the transit needs of cities across the country experiencing significant population growth and transit ridership growth. Such growth, while good for the economy, can strain existing infrastructure and can increase air pollution. Communities receiving funds under this program will be able to use up to 30 percent of the net project costs of Federal-aid Highway formula funds to complement BRT development in the project corridor bringing the Federal share to 80 percent of the total project costs.

Workforce Development

The Innovative Transit Workforce Development Program established under the authority of 49 U.S.C. 5322 provides funding to transit agencies and partners with innovative solutions to pressing workforce development issues. The FY 2015 budget includes a request for $20 million so that we can continue to foster the development of a stronger workforce. These funds will create jobs by providing "ladders of opportunity" for individuals to gain technical skills to support the transit industry as it builds a 21st century workforce. Supporting a highly-skilled transit workforce is critical to maintaining a competitive and efficient public transportation system. As public transportation in our nation enjoys resurgence and investments continue in the physical capital of our transit systems, it is essential to build and maintain human capital as well. The transit industry has been in flux in recent years. Rapidly changing technology has heightened the need for continued training in a variety of public transportation occupations. Attrition in the industry will result in a significant loss of organizational knowledge, and growing transit ridership along with plans to expand service make the need to hire new talent ever more important.

Over the last three years, FTA has directed a total of $10 million in funds to enable talented adults and military veterans the opportunity to learn new skills and embark on successful careers in the transit industry. It has been a worthwhile investment. For example, through Denver Regional Transportation District's "Workforce Initiative Now" program, roughly 280 college-aged teens and adults have been trained and/or hired to work on local transportation construction projects.

Quality of Life in Communities

Transit systems across the country play an important role by carrying tens of millions of riders each day to jobs, employment centers, schools and colleges. According to FTA's National Transit Database, more than 10 billion unlinked transit trips are taken annually. FTA's Urbanized Area Formula Grants Program, the largest of its grant programs, and its Rural Area Formula Grant Program provide on-going support for these riders and transit services. The FY

2015 budget request supports the quality of life goal by seeking $4.56 billion for the Urbanized Area Formula Program, which was largely unchanged by MAP-21. We also seek $622 million in FY 2015 to support the continued rise in demand for rural and tribal transit service, which now has more than 1,400 operators in rural areas that provide more than 140 million rural trips each year.

Environmental Sustainability

FTA strives to find different ways to encourage the public to take transit as well as to make transit systems more energy efficient. It does so by advancing environmentally sustainable policies and investments that reduce harmful air emissions, greenhouse gases, stormwater runoff, and other environmental impacts through transit research. Investment in research, development, deployment and testing improves the safety, reliability, efficiency, and sustainability of public transportation systems. FTA also provides critical technical assistance to help grantees comply with FTA's program guidelines and requirements and build for the challenges and risks of the future, rather than the past.

Appropriations for FTA's Transit Research and Training Programs averaged $44.8 million in FYs 2013 and 2014, far below the $89 million authorized in MAP-21 for each of those same years. This has hampered the programs' goal. We are asking Congress to provide $60 million for the Transit Research and Training Programs in FY 2015 for public transportation is to continue to set the standard among transportation modes for environmental sustainability.

Rulemakings and New Guidance Activities

FTA has worked diligently to implement MAP-21 by advancing several rulemakings and guidance documents, engaging thousands of stakeholders in the process. Also, over the last two years, FTA has issued proposed guidance to assist grantees in implementing the State of Good Repair Program, the Enhanced Mobility for Seniors and Individuals with Disabilities Program, a new program under MAP-21 that consolidates the New Freedom Program and the Elderly Individuals and Individuals with Disabilities Program; the Rural Area Formula Program; and a new provision regarding corridor preservation for future transit projects. Also, FTA recently issued final guidance on the Urbanized Area Formula Program. In addition, pursuant to MAP-21, FTA jointly published several final rules, notices of proposed rulemaking and guidance documents with FHWA to accelerate project delivery, including creation of new Categorical Exclusions for expeditious NEPA compliance and delegation of NEPA compliance to States.

Conclusion

The expiration of MAP-21 offers an important opportunity to recalibrate the way our government evaluates and invests in our federally funded public transportation infrastructure. From a transit perspective, while MAP-21 included provisions enabling FTA to focus limited resources on certain strategic investments and policies, the President's comprehensive four-year reauthorization plan will provide FTA with the tools necessary to improve the riding experience for millions of Americans, while repairing and modernizing transit systems for generations to come. I look forward to working with together with this Committee to advance the President's plan.

Mr. Chairman, this concludes my testimony and I am happy to answer any questions you may have.