Transportation Trades Department, AFL-CIO

WRITTEN STATEMENT OF
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BEFORE THE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT

"Revenue, Ridership, and Post-Pandemic Lessons in Public Transit"

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On behalf of the Transportation Trades Department, AFL-CIO (TTD), and our 37 affiliated unions, I thank Chairman Crawford and Ranking Member Norton for inviting me to testify before the Subcommittee today on the current state of our public transit systems and the lessons we can take away from the pandemic. The workers represented by TTD-affiliated unions make up the vast majority of public transportation workers across the country—whether they are bus or rail operators, maintenance and safety inspection workers, dispatchers, station agents, customer service representatives, administrative and clerical staff, or fare inspectors and collectors. They are the eyes and ears of our nation's public transit systems. Nobody knows the challenges and opportunities better than these frontline workers, and it is a pleasure to bring their perspective before Congress today.

I want to start by sharing a theme that will permeate throughout my written testimony today. Too often, whether it be here in Congress, at transit agencies nationwide, or in the communities they serve, we reduce the value of transit to discussions over costs and revenues. In doing so, we often overlook the fact that transit is a public good. Transit riders are not just revenue; they are people in the communities you represent, traveling to and from work, the supermarket, school, or a doctor's appointment. And transit workers are not a cost; they bring their skills to serve millions of commuters every day in one of the safest, most efficient, affordable, and accessible modes of surface transportation.

Questions about the long-term financial health and possible efficiencies in this industry are clearly important – and I will address some of those today – but we must also recognize the value the public transit workforce and the industry jointly provide. They deliver billions of dollars in value to American businesses in both major urban areas and rural communities. They reduce congestion on our already overcrowded roads and highways, lowering maintenance costs and improving commute times for others. They protect the health and well-being of our families by reducing dangerous emissions in our air. They provide essential mobility for millions of people in this country who do not have access to a car and who would otherwise struggle to get to work or meet other daily needs that those with personal vehicles might take for granted.

These factors should always be front and center when we calculate the value of this public good in our communities, determine how we pay for it, operate it, and ensure its long-term success in this country.

Congress must meet the needs of their constituents by providing long-term financial stability for public transportation

The COVID-19 pandemic once again highlighted serious funding and workforce challenges in public transit – ones that transportation labor has cautioned this committee about for years – exposing flaws in federal policy that, among others discussed elsewhere in this testimony, prioritize capital investment over operating expense support. As ridership plummeted and revenues dropped, transit agencies struggled to maintain essential services, revealing the need for more flexible funding that supports daily operations. The pandemic, much like the Great Recession, underscores the urgent need to revisit federal support policies for operating expenses.

By way of background, federal support for public transit began in earnest with the Urban Mass Transportation Act of 1964, which aimed to address the growing transportation needs of urban areas. As noted in a 2023 Urban Institute report, there was a prevailing belief at the time that "private operators should cover operating costs, with the federal government stepping in to invest in improved lines, for example," and the main thrust of the Act was focused on capital investments.[1] Subsequent legislation in the 1970s, particularly the National Mass Transportation Assistance Act of 1974, expanded federal support for operating expenses more explicitly. Recognizing the need for ongoing operational support to maintain and improve transit services, Congress authorized billions of dollars for transit systems, with a substantial portion allocated to operating expenses.[2]

The 1980s marked a significant shift in federal transit policy, driven largely by the Reagan Administration's argument that transit agencies should be more self-sufficient and rely on local and state funding for operational costs, which would result in greater efficiency and fiscal discipline. However, this argument was not supported by empirical evidence at the time, and critics pointed out that reducing federal operating support could lead to service cuts, fare increases, and a decline in transit ridership, particularly affecting low-income and minority communities who relied heavily on public transit.[3] This marked the beginning of a gradual decline in federal support for transit operating expenses throughout the 1980s and 1990s, ultimately culminating in the 1998 TEA-21 transportation law forbidding the use of the vast majority of federal transit funds to support operating costs, with some limited exceptions.

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[1] Urban Institute. (2023). *Surmounting the Fiscal Cliff: The COVID-19 Pandemic's Effect on Transit*. Retrieved from Urban Institute.

[2] Congressional Research Service. (2024). *Federal Support of Public Transportation Operating Expenses*. Congressional Research Service. Retrieved from CRS Reports.

[3] American Public Transportation Association. (1981). *1981 Transit Fact Book*. Retrieved from APTA; Transportation Research Board. (1983). *Deferred Maintenance and Its Impacts on Transportation Systems*. Retrieved from TRB.

The result is a federal policy that, for more than two decades, has incentivized transit agencies to allocate their limited local match funds towards capital projects to maximize federal support, as more money is available to match capital expenses, and at higher rates than operating expenses. This creates a skewed financial strategy, where agencies prioritize infrastructure investments over the essential daily operation of services. Consequently, they face operational funding shortfalls, leading to reduced service frequency, increased fares, and a diminished ability to meet the mobility needs of their communities. This misalignment ultimately compromises the effectiveness and sustainability of transit systems and leads us to many of the difficult questions, and often implausibly bad solutions we are facing today.

The federal response to the Great Recession should have awakened Congress to the shortcomings of current federal transit policy. In response to the 2008 financial crisis, the 2009 American Recovery and Reinvestment Act allocated $8.8 billion to transit systems as part of its overall effort to stimulate job growth. However, transit agencies were significantly restricted in using these funds for operational costs, with only 2 percent of the expenditure directed toward operations. The majority of federal funding was instead invested in capital projects, such as building transit facilities and purchasing buses. This approach left transit agencies vulnerable when other revenue streams they relied on to support operating costs, like local and state taxes, diminished.

As noted in the Urban Institute report, a 2010 survey of 151 major transit agencies revealed that 90 percent experienced either stagnant or reduced local funding, and 89 percent saw similar trends in state funding during the 2009 fiscal year. As a consequence, transit agencies addressed budget deficits through other measures. Between January 2009 and March 2010, the most common strategies employed were reducing service (by 84 percent of agencies) and increasing fares (by 73 percent). This was a predictable, cyclical effect of the current federal funding structure that we have seen time and again. So much so that this pattern has a name: the transit death spiral. Local or national economic circumstances impact ridership, causing transit systems to cut service or increase fares, driving away riders, thus further reducing revenue and perpetuating the cycle.

Congress recognized the backward incentives created by this structure when they allowed transit agencies to use all federal formula funds – not just emergency funds – awarded from 2020-2022 for operations. This money ensured essential workers in public transit were able to continue doing their jobs and delivering service throughout the pandemic. Yet, while the pandemic forever changed how communities function, work, socialize, and commute, federal policy did not change with it, and we are once again operating under the old funding scheme. John Samuelsen, International President of the Transport Workers Union of America (TWU), may have said it best: "So, the government will give an agency a lot of money to buy a bus – but not a dime toward hiring an operator to drive it, or a mechanic to maintain it."

Also cyclical are the tired arguments of those who use an economic downturn to attack the value of public transportation or the use of federal dollars to support it. I want to be absolutely clear in my position: public transit systems provide widespread benefits that transcend local boundaries and fundamentally support national economic, environmental, and social goals. It would be a mistake to argue that the long-term viability of these systems is a local issue and not recognize that public transit is a critical component of our national infrastructure. Federal support is essential to maximize the potential of public transportation and ensure sustainable, inclusive growth in our communities.

That is why transportation labor has long supported a reversal of the status quo, restoring the federal government's critical role in supporting sustainable and reliable public transportation service by providing transit agencies with new, dedicated funding and flexibility to use portions of their capital budgets for operating costs.[4]

Given the current challenges and historical context, I urge you to give serious consideration to correcting our broken federal transit funding programs. Taking this one step would spare much of the debate over cost cutting measures that only harm commuters and workers in your communities. H.R. 7039, the Stronger Communities Through Better Transit Act, introduced by Congressman Hank Johnson (GA-04) would help federal transit policy take a serious step in the right direction. This bill would significantly enhance public transit service nationwide by providing $20 billion per year for four years, enabling transit agencies to increase service frequency, expand service areas, and extend operating hours, thus improving accessibility and convenience for riders. This funding model directly addresses the operational shortfalls and skewed incentives created by our current funding scheme. Similar legislation, the Moving Transit Forward Act of 2024, has been introduced by Senators Chris Van Hollen (D-MD) and John Fetterman (D-PA). Moving these bills forward is the best thing Congress can do today to ensure the long-term success and sustainability of our public transit systems, aligning federal policy with the needs of our communities.

Commuter rail still faces serious challenges, highlighting the complexity of post-pandemic recovery in transit

While transit ridership has seen a post-pandemic rebound, with many modes of public transit, such as buses and light rail, recovering much of their pre-pandemic ridership, commuter rail systems are lagging behind in their recovery. Commuter rail is a crucial component of the public transportation network, offering efficient, safe, and climate-friendly transit for millions of people in major metropolitan areas. These systems not only facilitate daily commutes for workers but also create tens of thousands of well-paying jobs across the country. Their slow recovery highlights the unique challenges facing public transportation as we seek solutions to adapt to evolving travel patterns and budgetary constraints without jeopardizing jobs, the needs of commuters, and the economic wellbeing of our communities.

Commuter rail has historically served people commuting to the office five days a week around a typical 9 am to 5 pm schedule. With the rise of remote work during the pandemic, people are less likely to be in the office every day, especially on Mondays and Fridays, and working hours have generally become more flexible. This shift is likely not going away and is posing challenges to both the vitality of downtowns of major metropolitan areas and the commuter rail systems that serve those areas.

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[4] Transportation Trades Department. (2011). *Mass Transit Systems Need Spending Flexibility to Avoid Damaging Service and Job Cuts*. Retrieved from [TTD](TTD).

Many of these systems are facing significant budget deficits in the coming fiscal year. However, because of the differences between commuter rail and other modes of public transportation, the fiscal cliff facing commuter rail agencies is much steeper and more challenging to resolve. If left unaddressed, commuter rail systems across the country are likely to take cost cutting actions, such as implementing steep service cuts, eliminating thousands of jobs, and reducing capital investments in their systems. These cuts would devastate the future of commuter rail in this country, hurt commuters in the communities they serve, and threaten the livelihood of the workers who provide service on these systems every day.

The economic benefits of commuter rail – and public transit more broadly – aren't limited to the parts of the country these services operate in. For example, while the Maryland Area Rail Commuter (MARC) rolling stock is used to transport passengers in the Washington D.C. & Baltimore region, the rolling stock is being overhauled at the Alstom plant in Hornell, New York by proud union workers represented by the International Association of Machinists and Aerospace Workers (IAM). The Buy America Requirements that were strengthened in the historic Infrastructure Investment and Jobs Act (IIJA) and that TTD and our affiliates strongly support, have helped facilitate a public transit and commuter supply chain footprint in many states across the country that provide tens of thousands good paying jobs, many of them union.[5]

Transportation labor stands ready to support creative solutions that don't come at the expense of workers or commuters to address these challenges. For example, commuter rail systems are looking at new operating models, like regional rail, that emphasize frequent service since predictable and frequent service is a major driver of ridership. One successful example is Metrolink's implementation of 30-minute headways for the majority of the day on the Antelope Valley line in Los Angeles County, California. As the CEO of Metrolink testified earlier this year in the House Transportation Infrastructure Rail, Pipelines, and Hazardous Materials Subcommittee, there was a 27 percent increase in ridership in the four months of service expansion on the Antelope Valley line.[6]

Commuter rail systems are also examining how to better connect commuter rail to other transportation modes. For example, the Brightline West high-speed rail service between Las Vegas and the Los Angeles area will have a direct connection with the Metrolink commuter rail station at Rancho Cucamonga to help facilitate travel via Metrolink to downtown Los Angeles and other destinations in the region. In Chicago, Metra is working with the suburban bus operator Pace to better align Pace's bus routes and service frequency with Metra stations so riders on Pace have increased access to Metra service.

States are also taking action. Pennsylvania Governor Josh Shapiro has proposed $161 million in additional funding for SEPTA to avoid devastating service cuts and the Maryland Legislature increased transportation funding by $250 million this year, including additional funding for public transit. Other states, like Illinois, are having discussions about what the future governance of these

[5] American Public Transportation Association. *APTA Industry Footprint*. Retrieved from APTA Industry Footprint.
[6] Written Testimony of Darren Kettle, Chief Executive Officer of Southern California Regional Rail Authority. (2024, April 17). House Transportation & Infrastructure Subcommittee on Railroads, Pipelines, and Hazardous Materials Hearing on "Getting to Work: Examining Challenges and Solutions in the Commuter Rail Industry". Retrieved from House Committee on Transportation and Infrastructure.

agencies should look like. While transportation labor may agree or disagree on the particulars of these initiatives, there is no doubt that many states are doing their part to meet the moment.

As commuter rail systems, states, and the federal government continue to examine new initiatives, policy changes, and funding opportunities, I urge you to ensure rail labor is included at every step. The livelihood of tens of thousands of workers depend on commuter rail systems successfully adapting to the changes wrought by the pandemic. Rail labor unions have historically been key partners in making our commuter rail systems successful and they stand ready to help build the foundation for future success as well.

TTD welcomes significant federal progress to protect public transit workers and their passengers

After years of raising alarm over increasingly horrific assaults on public transit workers, transportation labor unions successfully fought for the inclusion of assault prevention language in the Fixing America's Surface Transportation (FAST) Act of 2015. This language required the Federal Transit Administration (FTA) to publish a Notice of Proposed Rulemaking (NPRM) that established safety standards, practices, or protocols for protecting transit operators from the risk of assault. After the Obama Administration failed to move forward with an NPRM, the Trump Administration ultimately deemed the requirement redundant, instead issuing toothless suggestions to transit agencies suggesting they give the issue a closer look. To date, this requirement has not been implemented, despite repeated calls from labor unions and Congress to do so.

In the absence of progress on the FAST Act NPRM, transportation labor once again successfully fought for a legislative remedy in the IIJA to help mitigate worker assaults. Though the action is long delayed, I am happy to share that the FTA has made significant progress in implementing the requirements of the IIJA.

Among the most significant actions is a final rule requiring transit agencies to establish joint labor-management Safety Committees as part of their Public Transportation Agency Safety Plans (PTASP). These committees are tasked with conducting safety risk assessments and developing strategies to mitigate risks associated with transit worker assaults. Of note, this collaborative structure was proposed by labor unions, who recognized the value of partnership between labor and management when considering safety planning. Other provisions in the rule include:

- Safety Risk Assessments: Transit agencies must conduct safety risk assessments focusing on the risk of assaults on transit workers. They need to identify and implement safety risk mitigations or strategies, and report these efforts to the FTA.
- Safety Performance Targets: Transit agencies must set safety performance targets as part of their safety plans. These targets are based on data and aimed at reducing assaults and other safety incidents.
- Health Measures: Agencies are required to incorporate measures to minimize exposure to infectious diseases, in line with guidelines from health authorities.

- National Safety Plan: Alongside the PTASP updates, the FTA revised the National Public Transportation Safety Plan, providing additional tools, best practices, and resources to help transit agencies improve safety performance.

Our frontline transit workers have firsthand knowledge of the types of violent and non-violent crimes occurring on our transit systems. Their insights are invaluable in understanding and addressing these safety issues. As a downstream effect of the newly established safety committees, these workers can share their experiences and contribute to developing effective strategies to mitigate risks. This collaborative approach not only enhances the safety of transit workers but also addresses broader public concerns over safety, which can positively impact ridership by restoring public confidence in the transit system.

We thank those of you in this committee room who helped us secure these provisions into law, and the Biden Administration, including the U.S. Department of Transportation and FTA for their leadership in its implementation. These policies will help ensure that workers who are just trying to do their job, like anyone else, do not face the fear of violence on a daily basis.

Eroding transit labor protections is not a viable solution for improving transit and addressing budget

As we consider opportunities and challenges in public transit, it is crucial to address the importance of maintaining strong labor protections for transit workers. These protections have been in place for nearly 50 years and ensure that federal funds used in public transit projects do not undermine workers' rights and working conditions.

Critics of transit labor protections argue that they increase costs and hinder operational efficiency. However, multiple studies, including reports from the Government Accountability Office (GAO), have found that the impact of these protections on labor costs and the adoption of new technologies is minimal. The GAO's findings indicate that, on the contrary, they have enhanced labor-management stability and improved communication and working relationships between management and labor. Moreover, these protections have not significantly delayed the implementation of federal grants nor impaired the operational capabilities of transit systems.

Efforts to overturn these protections under the guise of improving service by reducing labor costs are misguided and detract from the substantive policy discussions necessary to ensure the long-term success of this industry. It is imperative that Congress rejects any attempts to erode these vital protections based on outdated arguments that are grounded in a distaste for labor unions rather than sound policy. Instead, we should uphold the principles that have long supported a fair and equitable transit workforce.

Congress must view some proposals to solve budget shortfalls with additional oversight and an appropriate degree of skepticism

We have seen a number of solutions touted as quick fixes for the financial challenges facing transit agencies. Often, these solutions are at odds with the goals of public transit, come at the expense of improved service for commuters, and in some cases, are nothing more than the promise by a nascent tech industry that is searching for nothing more than steady contracts to suck up taxpayer money.

We have serious concerns that transit agencies have been increasingly lured by autonomous vehicle (AV) companies with promises of reduced labor costs, improved access to transit, and the often clumsy appearance of being on the cutting edge of new technology. Transit agencies have taken the bait, despite this technology being completely unproven in any context, let alone public transit.

In 2022, Carnegie Mellon University's Traffic21 transportation research institute issued a policy brief highlighting several critical findings regarding the unique challenges of operating AVs in public transit environments and emphasized the indispensable role of human operators. These challenges and the necessity for human oversight highlight significant limitations that prevent AVs from currently delivering their purported benefits effectively.

Public transit operates within highly complex and dynamic environments. These settings are often characterized by the presence of pedestrians, cyclists, and various unpredictable elements such as roadwork and traffic signals manually operated by law enforcement. Autonomous systems often struggle to interpret these varied and subtle human cues, leading to operational inefficiencies and potential safety hazards. The ability of human operators to navigate and adapt to these complex urban scenarios is indispensable, as they provide the necessary judgment and flexibility that current AV technologies lack.

Among our many articulated concerns over the safety, workforce challenges, lack of accountability and oversight of the AV industry, we are deeply concerned that this misallocation of resources will only erode public confidence in transit authorities. This is especially true if pilot programs fail to deliver on their promises of improved service and safety, or if road users or passengers, who are serving as test subjects for this nascent industry, are injured when the technology malfunctions.

We thank Congressman Chuy Garcia (IL-04), for introducing the Safe Regulation of Autonomous Bus Driving Systems Act (Safe ROADS Act). This legislation highlights serious necessary considerations for autonomous vehicles in public transit and other large vehicles. The Safe ROADS Act sets stringent guidelines that must be in place before the use of level 4 and 5 automated buses, school buses, and commercial motor vehicles, requiring rigorous minimum standards for vehicle testing, pedestrian and bicyclist detection, safe handoff protocols to drivers, malfunction detection, and minimum data collection and operator training standards. I urge all of your support for this safety-first approach to AV technology in transit.

We also urge greater Congressional oversight over transit agencies' use of demand response microtransit services. These services have proven more expensive on a per-passenger basis compared to traditional fixed-route bus services. Even the lowest-performing bus routes are more cost-effective than microtransit, which often costs local governments two to three times more per passenger. Further, we have seen microtransit systems struggle to scale efficiently to meet increased demand. This results in unreliable service, particularly for disabled and low-income passengers who rely most on affordable and dependable public transit.

Often, microtransit involves contracting out services to private companies that utilize gig workers. These workers typically receive lower wages, fewer benefits, and face worse working conditions compared to unionized public transit workers. This move towards privatization threatens the quality of transit jobs and undermines the stability of long-term careers in the transit sector. As transit systems nationwide continue to suffer from a lack of funding, many are pushed toward privatization as a proposed solution to their financial problems. Although private companies claim they can provide better service at lower costs, they often fail to deliver on these promises.

These for-profit companies lack any incentive to provide high-quality service and accountability because they were fundamentally not created to serve the public good. Their primary objective is to generate profit, which often results in deep service cuts, fewer experienced workers, and decreased levels of safety and security measures.

Congress should ensure that transit systems adhere to essential standards when considering privatization. This includes requiring public transit operators to consider all relevant factors before contracting out transit services, such as conducting a cost analysis to assess the effectiveness of using private business entities versus existing employees. Potential bidders should be required to demonstrate their ability to provide high-quality transit services that match or exceed the standards provided by public transit agencies. Additionally, public transit driver safety standards should be extended to the paratransit industry, and local government agencies should give a 25 percent preference to bidders on service contracts who agree to retain employees of the prior contractor or subcontractor for at least one year.

As we navigate the challenges highlighted by the COVID-19 pandemic, it is clear that we need a renewed commitment to providing stable, flexible, and sufficient funding for transit operations. We must prioritize the safety and reliability of these systems while ensuring that the workforce remains safe and well-supported.

Again, thank you Chairman Crawford and Ranking Member Norton, for the opportunity to testify before the subcommittee today. Your continued attention and commitment to these issues are crucial as we work together to strengthen and sustain our nation's public transit systems for the future.

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[1] Urban Institute. (2023). Surmounting the Fiscal Cliff: The COVID-19 Pandemic's Effect on Transit. Retrieved from https://www.urban.org/sites/default/files/2023-11/Surmounting%20the%20Fiscal%20Cliff.pdf.

[2] Congressional Research Service. (2024). Federal Support of Public Transportation Operating Expenses. Congressional Research Service. Retrieved from https://crsreports.congress.gov/product/pdf/R/R47900.

[3] American Public Transportation Association. (1981), 1981 Transit Fact Book. Retrieved from https://www.apta.com/wp-content/uploads/Resources/resources/statistics/Documents/FactBook/APTA-1981-Transit_Fact_Book.pdf; Transportation Research Board. (1983). Deferred Maintenance and Its Impacts on Transportation Systems. Retrieved from

https://onlinepubs.trb.org/Onlinepubs/trr/1983/936/936-007.pdf
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[5] American Public Transportation Association. APTA Industry Footprint. Retrieved from https://footprint.apta.com/
[6] Written Testimony of Darren Kettle, Chief Executive Officer of Southern California Regional Rail Authority. April 17th House Transportation & Infrastructure Subcommittee on Railroads, Pipelines, and Hazardous Materials Hearing on “Getting to Work: Examining Challenges And Solutions in the Commuter Rail Industry. Retrieved from https://transportation.house.gov/uploadedfiles/04-17-2024_rph_hearing_-_darren_kettle_-_testimony.pdf