

Testimony of
**The New York Public Transit Association,
Inc.**

At a Hearing of the
Assembly Standing Committee on Transportation
Concerning the State Budget on Transportation Infrastructure

Albany, NY

Wednesday, December 17, 2008

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Assemblyman Gantt, my name is Ray Melleady and I am President of the New York Public Transit Association. We greatly appreciate the opportunity to submit testimony today related to the capital needs of New York's non-MTA transit systems, which are funded through the Department of Transportation's multi-year capital plan.

First, we would like to express our members' gratitude for the past support and leadership of the Assembly in supporting both operating and capital funding for New York's transit system, whether that is the MTA or the other 50 transit systems in rural, urban and suburban parts of the state. Our members provide almost half a billion in passenger miles annually and account for 28% of all the transit rides in the country.

We have outlined NYPTA's assessment of transit capital needs below. The rationale for our funding request is straightforward: Investments in public transit capacity provide the biggest return for New York State's transportation capital and deliver unmatched sustainability benefits. These benefits include:

- Improved mobility for riders and non-riders alike
 - Access to jobs, health care, shopping and recreation for individuals of all ages and incomes
 - Increased demand for public transit service in a down economy as agencies with tight budgets cut back on transportation expenses and individuals seek affordable transportation
 - Congestion mitigation for commuters - public transportation takes cars off the road - 60 cars for a full bus, 12 cars for a full van and up to 200 cars for a full commuter rail car
 - Improved productivity for truckers and delivery vehicles
 - Enhancing mobility without the need to build more lane miles of roads - a single subway line can carry 30,000 passengers in one hour, eliminating the need for ten additional highway lanes

- Positive economic development impact
 - Improving employers' access to workers and labor markets - 70% of all transit trips are work trips
 - Investing transit capital in New York State suppliers and manufacturers across the entire state
 - Improving productivity and reducing lost time by mitigating traffic congestion

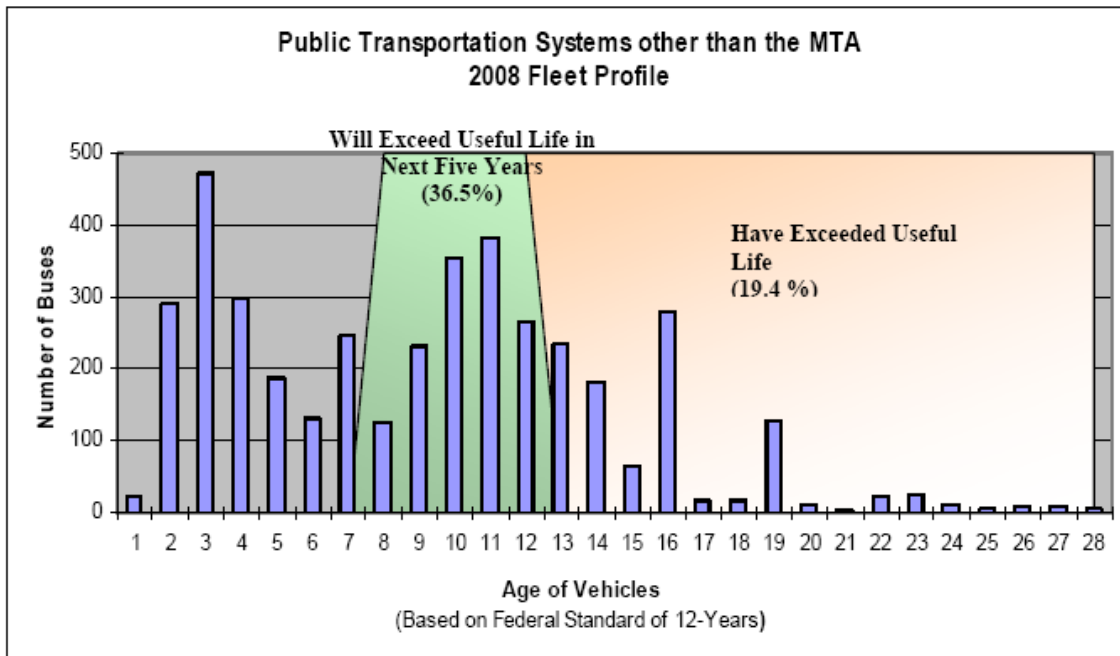
- Air quality improvement
 - Getting cleaner air by taking cars off the road - vehicle emissions account for half of air pollution nationwide
 - Each gallon of gasoline burned emits 20 pounds of carbon dioxide
 - Converting transit fleets to clean fuels will deliver an even bigger environmental impact

- Energy conservation and independence

- Reducing New York's fuel consumption through public transit - a 20 mile commute on transit saves a gallon of gas per passenger
 - Helping achieve energy independence for the United States
 - Using mobility to mitigate congestion, improve traffic flow, and cut down on wasted fuel
- Smart growth
 - Discouraging sprawl by increasing the livability of urbanized areas
 - Making better use of existing infrastructure
 - Reducing congestion and improving the quality of life - a third of daily travel occurs under congested conditions, with a loss of free time for individuals to pursue personal interests

In the next five years transit systems across the state face significant capital needs driven by the increased pressure to expand fleets and routes, equip older buses with environmental retrofits and purchase new buses that are environmentally-friendly and fuel efficient. The New York State Department of Transportation, in its 20 year needs assessment, estimated that \$6.5 billion will be needed to address state-of-good repair and normal bus replacement needs statewide. For non-MTA transit systems, we project that capital investment needs over the next five years will exceed \$100 million annually above and beyond capital funding already projected to be available from federal, state, and local sources.

The graph attached to our testimony demonstrates the needs for non –MTA systems to replace their current fleets.



Over half of all non-MTA buses have either surpassed their useful life or will do so in the next five years. New regulations, a desire to improve fuel efficiency, and concerns regarding environmental impact of diesel fuel emissions have driven systems to investigate hybrid buses as a viable option for future bus replacement purchases.

A hybrid diesel-electric bus can cost as much as \$150,000 more than a standard diesel bus, which typically costs approximately \$300,000, depending on specifications. Such pricing differential is cost prohibitive for transit systems. Previously, New York State has helped address some of this need through programs offered through NYSERDA, the 2005 Transportation Bond Act, and funding specifically appropriated by the Legislature and initiated by the Assembly.

The State's approach to providing both capital and operating aid, while generous, has nevertheless failed to meet the need for larger and more modern bus fleets and has put transit systems in a situation where they are essentially stealing from the future to pay for the present. **Capital funding sources are increasingly being diverted to pay for daily operations, a tactic that delivers short term results but long term bankruptcy.** We are concerned that the non-MTA account of the Dedicated Mass Transportation Trust Fund will be unable to deliver needed capital spending in 2010 and beyond.

As the Assembly is aware, revenue shortfalls in the Upstate Account of MTOAF (Mass Transportation Operating Assistance Fund) have led the non-MTA account of the dedicated fund to be increasingly used for upstate operating assistance. Over half of the annual revenue generated by the non-MTA systems' 3% share of the dedicated transportation funds now goes to support upstate STOA (State Transit Operating Assistance). This is funding that was originally intended to provide transit systems other than the MTA with a capital funding source to augment Federal Transit Administration funding. **The 2008-2009 State Budget documents indicated that the non-MTA fund could be depleted before the end of fiscal year 2010 because of the continuing commitment to funding upstate STOA, thus removing an important source of capital funding for non-MTA systems.** The non-MTA account must be restored as primarily a source of capital funding for non-MTA systems downstate and upstate. The solution to this is to resolve permanently the funding problems that have beset the MTOAF Upstate Account for several years now.

Earlier this month, the Ravitch Commission published a report with financial recommendations for the City and State of New York to consider in order to sustain the MTA. Financing transit capital investments and operating assistance is a statewide issue that extends beyond the MTA region and any new five year plan for capital transit funding must incorporate non-MTA system needs. We strongly support the findings of the Ravitch Commission report but recommend that any final implementing legislation include the needs of the MTA and non-MTA transit systems in the State.

We urge the Assembly to consider new dedicated revenue sources to fund non-MTA transit capital and operating needs. The options for these dedicated revenue taxes range from an add-on to the current mortgage recording taxes to an increase or surcharge on the current petroleum business tax.

With your support New York public transit providers will be able to continue putting safe, efficient buses on the streets to fill their pivotal role in economic development and environmental sustainability. Thank you again for the opportunity to testify today and NYPTA looks forward to working with the legislature throughout the budget process this year.