

Testimony of
The New York Public Transit Association, Inc.

To the
Senate Transportation Committee
Concerning the Five Year Capital Plan

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Thank you, Chairman Dilan and members of the Transportation Committee for providing the New York Public Transit Association the opportunity to testify regarding the New York State Department of Transportation 5-Year Capital Program, which was proposed last month.

My name is Carm Basile. I am the Executive Director at the Capital District Transportation Authority here in Albany, and I am pleased to be here this afternoon to represent our industry, and the members of NYPTA.

The New York Public Transit Association (NYPTA) is a not-for-profit association representing the public transit industry throughout our great State. As the voice of the industry, NYPTA seeks to ensure transit riders experience safe and reliable mobility options through the State's many transit systems.

Our members include public transportation service providers like CDTA, private sector manufacturers, suppliers, state government agencies, and other individuals with an interest in public transportation.

NYPTA commends the Department of Transportation for proposing a multi-year program that provides \$340 million for capital investment in non-MTA public transit systems. This is a 44.7% increase over the \$235 million available through the current plan. Also of significance to us is that the proposal ensures that, for the first time, funding for the non-MTA capital program would grow at the same rate as the State's highway program.

Public transportation is a vital and integral element in New York's transportation infrastructure. Public transportation makes a difference in the lives of millions of New Yorkers every day, providing mobility and choices that otherwise would not be available.

We need to invest in more public transportation services and facilities if we want to insure a better tomorrow for our children today. Public transportation is the answer to many of our state's problems – providing more mobility will move the people of New York to jobs, to medical appointments, and to shopping and recreational opportunities.

The proposed capital plan will not, by itself, serve to make public transit a more viable option for the traveling public. Frustratingly, the DOT proposal recognizes and underscores the critical role of transit operating assistance in effectively uses capital assets, but it offers no solutions or remedies to address a burgeoning operating aid crisis.

By focusing this year's public transit funding debate on the MTA alone, the State is not recognizing that suburban New York City and upstate public transportation systems lack dedicated revenues to fund capital needs and to maintain or expand operations. And while NYPTA applauds and endorses the actions taken thus far to partially stabilize MTA finances and fares; it is clear that, on a statewide basis, the job is not done.

Simply put, the lack of operating funds for upstate and suburban transit systems has reached a crisis level. At my system here in Albany, we raised fares last April from \$1.00 to \$1.50 and have lost almost 1 million customer boardings in a short period of time.

Public transportation systems other than the MTA will need over \$200 million annually in additional operating assistance to maintain affordable fares and viable levels of service. Unfortunately, revenue from existing dedicated sources continues to suffer from state and national economic problems. As it stands right now, the State is unable to make full payments of FY 2009-10 operating aid on schedule.

Even more problematic is the dismal performance of the MTOA Upstate Account that has a single poorly performing revenue source – the petroleum business tax. The consequences of the Upstate Account funding crisis are a diversion of dedicated capital funds to operations and inter-account transfers that effectively spread the operating assistance shortfall statewide.

With the ongoing fall-off of petroleum business tax receipts, the MTOA Upstate Account could only fulfill half of upstate operating needs were it not for general fund transfers, one-time revenue actions, and redirected capital from an already overburdened dedicated fund. Along with our written testimony we are providing a chart that details the declining PBT revenue available for upstate.

There are significant needs on both the capital and operating side for upstate and suburban and MTA transit systems. Capital investment, particularly in new vehicles, can not be considered in isolation from the operating issue if we are to effectively use our capital assets. These needs must be addressed in tandem.

NYPTA estimates that transit systems other than the MTA will require \$200 million in annual operating assistance outside of capital money to provide adequate service and achieve the policy goals of the State, such as increased economic development and a cleaner environment.

To that end, NYPTA recommends that the State consider taking steps to broadly diversify the revenue base of the operating assistance accounts, particularly the Upstate Account.

NYPTA recommends that the new MTA revenue measures agreed on in the spring of 2009 such as the payroll tax, increased DMV fees, and taxi surcharges be extended to the upstate authority areas. NYPTA also recommends increases to the mortgage recording tax in upstate authority regions to generate added operating assistance.

On the capital side, NYPTA recommends a 5 year capital plan totaling \$470 million and urges the state to provide increases in the taxes and fees that contribute to the dedicated fund pool, namely the petroleum business tax, motor fuel tax and DMV fees for the benefit of the Dedicated Highway and Bridge Trust Fund, and both MTA and non-MTA accounts of the Dedicated Mass Transportation Trust Fund.

The increased funding will generate a number of positive outcomes for public transit systems, other than the MTA, including achieving an average statewide fleet age that complies with the federal standard of 6 years as well as the replacement of at least 50% of bus, light rail and maintenance facilities, as they exceed their federally-rated useful life. In addition, the state would have the capital available to “green” approximately 40% of our transit fleet.

In these difficult economic times, more people are turning to public transit for affordable and economical mobility. Our communities are asking for more transit service at a reasonable cost. Here in Albany, we have seen the benefits that come from more buses, more frequent service, and improved reliability. We know that if you build it, New Yorkers will ride.

Public investment in transit – both capital and operating – delivers mobility while meeting important sustainability objectives in terms of the environment, energy conservation, economic well-being and social equity. The positive outcomes warrant the difficult decisions that will be needed to provide public transit with the revenues and resources to get the job done.

NYPTA recommends the actions I have laid out today and have included in our written testimony as the debate commences on the next transportation capital plan.

Thank You.