

House Committee on Transportation and Infrastructure
Subcommittee on Highways and Transit Hearing
“Maintaining our Nation’s Highway and Transit Infrastructure”
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“If there’s one thing I would wish for in a stimulus package, it would be a healthy and robust infusion of investment into rebuilding the infrastructure of America. The long term benefits of investing in our infrastructure far outweigh the costs.”

Speaker Nancy Pelosi (D-CA) - U.S. House of Representatives
June 1, 2008 ~ APTA Rail Conference ~ San Francisco, CA

Transit in Utah

One of the most conservative, urbanized states in the country, Utah is home to more than 2.6 million residents and is the third fastest growing state in the nation. More than 80 percent of the state’s residents live within Utah’s primary urbanized area, called the Wasatch Front. The Wasatch Front, with Salt Lake City located in the center, is geographically constrained by the Wasatch Mountains to the east and the Great Salt Lake to the west. This geography has produced a natural transportation corridor that spans 120 miles from north to south and ranges from 2 to 15 miles wide, east to west.

Utah is enjoying a transit renaissance. From 1970 until 1998, Utah Transit Authority (UTA) was a small, single mode bus agency. In just the past ten years, UTA has built three light rail projects, a commuter rail line, and successfully supported the 2002 Olympic Games by carrying more than 4 million riders in 17 days. The 2002 Olympic Winter Games were widely hailed as one of the most successful Olympic transportation programs.

Today, the Utah Transit Authority provides multi-modal public transportation services over a 1,400 square mile area across six counties. Our services include over 100 bus routes, a regional vanpool system, a 20 mile light rail system, and a newly opened 40 mile FrontRunner commuter rail line from Ogden to downtown Salt Lake. Rapid growth in our system has come about by a combination of local and federal funds. UTA has approximately tripled its local revenues in the past 7 years through two locally approved referenda and has experienced an excellent partnership with the Federal Transit Administration (FTA).

Strong Local and Federal Support

UTA has an experienced management group which has successfully built four New Starts rail projects ahead of schedule and under budget. Ridership on these lines has

significantly exceeded projections and continues to increase; and since 1998, ridership on UTA's total system has increased more than 60 percent. This track record has engendered a level of trust and confidence in the community and a desire to further expand and enhance transit services.

Through this rapid expansion, UTA has closely partnered with and engaged elected officials and stakeholders, demonstrating a philosophy of performance and accountability. As a result, the agency enjoys great support from all levels of government at the local, state and federal level.

UTA attributes the success of its rapid transit expansion to a number of factors and lessons learned:

- Unified stakeholder relationships – UTA has excellent relationships with its metropolitan planning organizations, the Utah Department of Transportation, the business community, labor unions and the disabled community. This unified coalition has propelled Utah to having one of the greatest transportation investment programs in the nation.
- Innovative oversight by the Board of Trustees – UTA's visionary and mission-driven governance model allows the agency to be innovative in planning, procurement and project management.
- Delivering cost effective projects under fiscal constraint – UTA's four major capital rail projects have consistently been built as some of the lowest cost per mile in the country.
- Early acquisition of Rights of Way (ROW) and transportation corridors – In 2002, UTA purchased over a 175 miles of ROW from Union Pacific Railroad. This historic agreement has allowed for the rapid expansion of UTA's rail program and has preserved valuable land corridors for future transit projects. Inter-Local Agreements (ILA) before construction to prevent cost overruns or unexpected impacts during construction. UTA has signed a master ILA with 43 cities, allowing for the rapid deployment of our rail program.
- Co-locating contractors, consultants and the transit agency – This technique has provided extreme efficiency and a unified sense of ownership in the project.
- Using the right construction delivery method to fit the job – UTA has used traditional design-bid-build, design-build, construction manager/general contractor project delivery and anticipates using a 'construction alliance' approach for future jobs.

In just the past ten years, UTA has successfully achieved 4 Full Funding Grant Agreements: North/South TRAX (80 percent federal funding); University TRAX Line (70 percent federal funding); Medical Center TRAX extension (60 percent federal funding); FrontRunner North commuter rail (35 percent federal funding). Our goal is to bring a major transit stop within a mile of nearly 90 percent of residents along the Wasatch Front.

Rail System Objectives

UTA offers the following ideas and recommendations with respect to expansion and funding of the nation's rail program.

Transportation Policy and Funding

Local leaders in Utah understand the need for increased investment in the state's transportation infrastructure for improved mobility and economic development. This increase in mobility will allow Utah's economy continued growth and sustainability. Local leaders support the need for increased transit services, envisioning a European model for land use and development around transit that will maintain and improve their communities' excellent quality of life in a way that is environmentally sustainable.

In order to sustain our growth and a healthy economy, we must invest in transportation infrastructure. Congress should consider a new National Transportation Policy, as most of the nation's growth is occurring in urban areas and large regions, sometimes called megalopolis. As the Interstate Highway System was designed to connect the nation's cities, a new National Transportation Policy should be developed to maintain the health, vitality, and international competitiveness of this country. Congress should create incentives to increase state and local investment levels in public transportation. Public transportation provides mobility that significantly contributes to national goals and policies in support of global economic competitiveness, energy independence, environmental sustainability, congestion mitigation and emergency preparedness.

Congress should authorize a significant increase in the federal transit program, with a total investment of no less than \$123 billion over the six year authorization period. This will support a goal of meeting at least 50 percent of the estimated \$60 billion in annual capital needs by the end of the authorization period, and support a projected doubling of ridership over the next 20 years.

The federal transit program should retain an 80 percent federal match ratio for all capital transit projects, including the New Starts program. At a minimum, transit program ratios should be consistent with the highway program. This is especially crucial for small and mid-sized transit agencies and true 'new starts' project sponsors who have an increasingly difficult time meeting the increasing federal burden. Currently the FTA is requiring a 40-50 percent local match in order to be recommended for New Starts funding. Overmatch by a project sponsor should count as an evaluation factor but not be used as a threshold to exclude a funding recommendation.

Examine the longer-term viability of innovative financing techniques, including: public-private partnerships, federal loan guarantees, tax exempt/tax credit bonds, tolling and congestion pricing, value capture increment financing, and other mechanisms that consider changes in energy use and reduce state and regional carbon footprints.

Simplify the Project Development Process

The development of UTA's light rail projects has required a great deal of time and effort navigating through the federal process, including alternatives and environmental analysis, engineering and design, a full funding grant agreement and beginning of construction. According to research by the New Starts Working Group, the average new starts project now takes nearly 10 years to achieve a Full Funding Grant Agreement.

In an effort to reduce the time it takes to complete the Federal process, UTA recently completed a Memorandum of Understanding (MOU) with the Federal Transit Administration to simultaneously build five projects, with an overall Federal match for all five corridors at 20 percent. More specifically, over the next 7 years UTA will advance 3 rail lines with 100 percent local funding and 2 lines through the Federal New Starts program with an 80 percent Federal match. These projects will be built using design-build or construction manager/general contractor project delivery approaches. Utah's locally funded rail projects will be completed much quicker for a savings of several years and millions of dollars as compared to the Federalized projects.

Congress should simplify and streamline the current federal grant approval process to speed project delivery and reduce costs. Project sponsors that have secured sufficient local and state monies, that seek to build multiple projects at the same time, and don't intend to rely on New Starts monies for each project corridor should be encouraged to implement a "program of projects" approach. Localities that have built projects without New Starts funds should have those funds credited as "local match" towards a project that is funded through the New Starts program without having to seek special legislation. FTA's role would shift to that of portfolio manager where it has executed a MOU or Project Development Agreement (PDA) with a project sponsor.

Based on UTA's experience, as your committee considers ways to improve, simplify and shorten the federal development process, we offer the following suggestions.

- Allow for the execution of a Project Development Agreement including specific time frames for project sponsor production of documents and FTA review and approval of project development components.
- Require FTA to develop acceptable simplified methods of travel forecasting, particularly for the Small Starts category.
- Permit the Transportation System User Benefit (TSUB) to be equally rated with local objectives relating to air pollution, climate change, land use, and the other local goals to be used to advance and better evaluate projects.
- Allow local and private contributions to be considered in the New Starts rating process to stimulate local government and private financial contributions.
- Provide that for all federal new start projects, sponsors may credit the cost of simultaneous projects built with non-new start funds.

Streamline Project Delivery

UTA has recently committed to complete a FrontLines 2015 program that will provide 70 more miles of rail in the next 7 seven years, including innovative contracting methods that reduce risk to the Federal government.

FTA oversight should be adjusted to the contracting approach undertaken by the project sponsor, e.g., a design-build contract that has been executed with fixed prices for project costs, or where the project sponsor agrees to execute a PDA. As well, FTA oversight must be balanced with the complexity of the project and the experience of the project sponsor: an experienced project sponsor should not be subject to the same frequency of reviews as a first time project sponsor or one with limited history of building complex infrastructure projects.

Based on our experience, as your committee considers ways to improve and shorten the project delivery, we offer the following suggestions.

- Incentivize project sponsors who finish projects under budget and ahead of schedule.
- Encourage the use of alternative construction delivery programs such as: design-build, construction manager/general contractor project delivery and alliancing.
- Eliminate FTA final design approval when design-build or variations of this innovative process are used.
- Make Letters of No Prejudice automatic when a Record of Decision is secured.
- Vary the level of risk assessment required based on the project delivery approach.
- Permit grantees more self-certification of routine program requirements.

Increase Current Capacity

After opening its initial rail lines, UTA has urgently experienced the need to expand the system and increase capacity. This demand has been greatly enhanced by current fuel prices, increased congestion, air quality concerns, and heightened environmental awareness. A mechanism needs to be made available to assist with this crucial and growing demand for high quality transit. The current formula program (Section 5307) is unable to handle this core capacity market. As an example, UTA recently purchased used rail vehicles to augment our fleet to respond to the demand for additional service. This allowed UTA to quickly expand capacity in response to rider demand, while saving taxpayers tens of millions of dollars. Although these vehicles were 15 years old and required a mid-life overhaul, they were ineligible for funding from FTA's Capital Investment program.

Maintain Current Infrastructure

The fixed guideway modernization program, as it is currently constituted, is heavily skewed towards the "Tier 1" systems, or older rail cities. UTA recognizes that these systems, which were built anywhere from 50-100 years ago, have significant maintenance needs. At the same time, the reality is that the transit world has changed dramatically since the rail mod program was first established many years ago. More and more rail systems have been built over the past decade or two, including ours, and rail is no longer confined to the "traditional" rail cities in the East and Midwest. All of these newer systems are beginning to face significant maintenance challenges as well. As such, we believe there is a case to be made that the rail mod program needs to be updated to reflect this new reality.

Technology

In order to remain competitive and to respond to market growth, technology must play an expanded role in transit design and operations. Available and emerging technologies play a critical role in providing greater operational efficiency, responding to adjusting and growing ridership, and supporting safety and security programs. Information Transportation Systems such as electronic fare collection, passenger information, safety and security, pricing and marketing strategies, and management information are fundamental components to providing efficient and flexible transit service. Opportunities to fund these transit-inherent technologies should be identified.