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AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

BEFORE THE

HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

ON

PUBLIC TRANSPORTATION'S ROLE IN ECONOMIC RECOVERY

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SUBMITTED BY



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Chairman Oberstar, Ranking Member Mica and distinguished members of the Committee, I thank you for the opportunity to testify. I am speaking today on behalf of both the Transit Authority of River City (TARC) in Louisville, Kentucky, and the American Public Transportation Association (APTA). I have been TARC's Executive Director for 15 years and serve on APTA's Executive Committee as the Vice-Chair for Government Affairs.

I have been asked to provide this Committee with a picture of how the "American Recovery and Reinvestment Act of 2009" (ARRA) is progressing -- the impact it is having now and will have in the near future. Like the rest of America, Louisville, Kentucky, is in a severe economic slowdown. Jobs are scarce, employers are cutting back, and government agencies are struggling to respond to multiple and expanding demands from local residents. The mood of the people in Louisville is, I imagine, much the same as it is across the country, apprehensive at best and frightened at the worst. I applaud this Committee, Congress as a whole and President Obama for passing economic recovery legislation in February and I hope I can demonstrate for you today how it is helping to get our economy back on track by creating new jobs, giving our citizens help in finding jobs, developing green jobs and buoying the hopes and spirits of people who are just hanging on through these hard times.

To help demonstrate how transit investment from ARRA is helping our economy, APTA is releasing a new report prepared by the Economic Development Research Group which shows that every \$1 billion of federal investment in public transportation yields 30,000 jobs. The report also shows that transit investment provides jobs to the workers who may need them the most. It finds that two-thirds (66 percent) of the jobs created with capital investment in the public transit industry replace lost blue-collar jobs with "green jobs" in the public transit sector. Based on these projections, the American Recovery and Reinvestment Act, which provides \$8.4 billion for public transportation projects, will create approximately 252,000 jobs for Americans and help transit systems meet the steadily growing demand for public transit services.

ARRA transit investments in the Louisville region

1. Construction of the LEED Certified Maintenance Annex
2. Acquisition of 10 hybrid electric buses
3. Re-roofing of a 200,000 square foot Bus Barn
4. Complete rehabilitation of TARC's satellite Bus Storage Building
5. Construction of a 1200-Kilowatt Emergency Generation Facility
6. Preventative maintenance activities

TARC project advancement

In Louisville, TARC was allocated \$17.6 million under ARRA, and we moved quickly to put it to use, identifying capital needs and facility updates that had been deferred in recent years to meet budget and keep safe, affordable service on the street. TARC understood from the introduction of the first bill in committee that having projects 'shovel ready' as quickly as possible was a priority. In order to be as ready as possible we committed all of our available

resources to the architectural design work necessary to pursue our most needed facilities projects. Within weeks, we had complete specifications and designs in hand for four construction projects:

TARC has already put our four facilities projects out to bid and the response to these projects attracted more prospective bidders than anything in recent history. The maintenance annex had 51 people representing 45 companies attending the pre-bid meeting. Similarly, there were 26 companies inquiring about the re-roofing of the bus barn, 41 inquiring about the rehabilitation and re-roofing of the bus storage building, and 27 companies interested in the generator project.

By May 4, TARC will have bids on all projects and teams of professionals and users will evaluate the bids for each of these projects. Each team will make its recommendation for award to TARC's Board of Directors on May 25th. We anticipate issuing notices to proceed as quickly as is practicable thereafter. The staff at the Federal Transit Administration's (FTA) Region 4 office has been working diligently with us to prepare our ARRA grants for award. We are hopeful that TARC's Recovery Act grants will be obligated by the time these construction contracts are awarded.

TARC's intent is to break ground on each of these facilities projects in June, and we anticipate that work will be substantially complete on all of the projects by the end of June 2010. It is estimated that these five projects will create 227 jobs, in addition to saving 24 current TARC jobs. The maintenance annex will generate 80 green jobs, and many will be in the construction job classifications recognized as "green jobs" in a recent report by the U. S. Conference of Mayors: solar energy contractor; energy management controls; environmental system control installation and pollution control equipment installation.

Construction of LEED certified Maintenance Annex

I am going to tell you more about five other projects as well, but I would like to focus for a moment on the impact of the \$5.5 million maintenance annex. It is a 14,000-square foot building that will be used for training operators and mechanics and will include bus cleaning bays. The LEED Silver certification means, among other things, that the building will have very low operating costs. It will include a new training classroom, with updated equipment, space for maintaining electronic components that are becoming more prevalent on our buses and six bays for cleaning buses. We are currently cleaning our buses in one of the darkest, dirtiest places on TARC property: the service lanes in our 30-year-old bus barn.

The annex alone is expected to create 80 jobs over the next year. These jobs will cover 20 trades. There are all the traditional jobs involved in site work, roofing, masonry, tiling, drywall, asphalt, etc. But even more critical perhaps are the dozens of jobs involved in constructing a building that uses the latest techniques for environmental and energy conservation. For example, the annex will have a bio-swale stormwater retention system, a natural catch basin covered with native plants that allow runoff to be absorbed directly into the groundwater rather than running into the sewer system. This feature alone creates a new category of landscaping jobs. In addition, the facility will have a vegetative roof, passive solar lighting and ventilation systems

designed to reduce heating and air conditioning costs, and solar panels that will generate enough power to run the lighting on the buses that are in for maintenance. We estimate the building will use 20 percent less energy than a conventionally-built structure.

Hybrid vehicle acquisition

TARC's second major investment of ARRA funds is the purchase of ten hybrid electric buses. Like many of our sister agencies, TARC is substantially behind in our bus replacement schedule. The FTA standard expected life for a full-size, heavy-duty transit bus is 12 years or 500,000 miles. Currently, 44 of our 244 buses in our active fleet (18 percent) have exceeded that standard. The average age of our fleet is now 9 1/2 years. This has significant implications for operating costs, since the older a bus is, the greater the chance that it will require costly maintenance. They also have much more significant emissions of pollutants, contributing to the air quality problems in Louisville, which has just barely moved out of non-compliance for air quality standards and which has an abnormally high incidence of asthma.

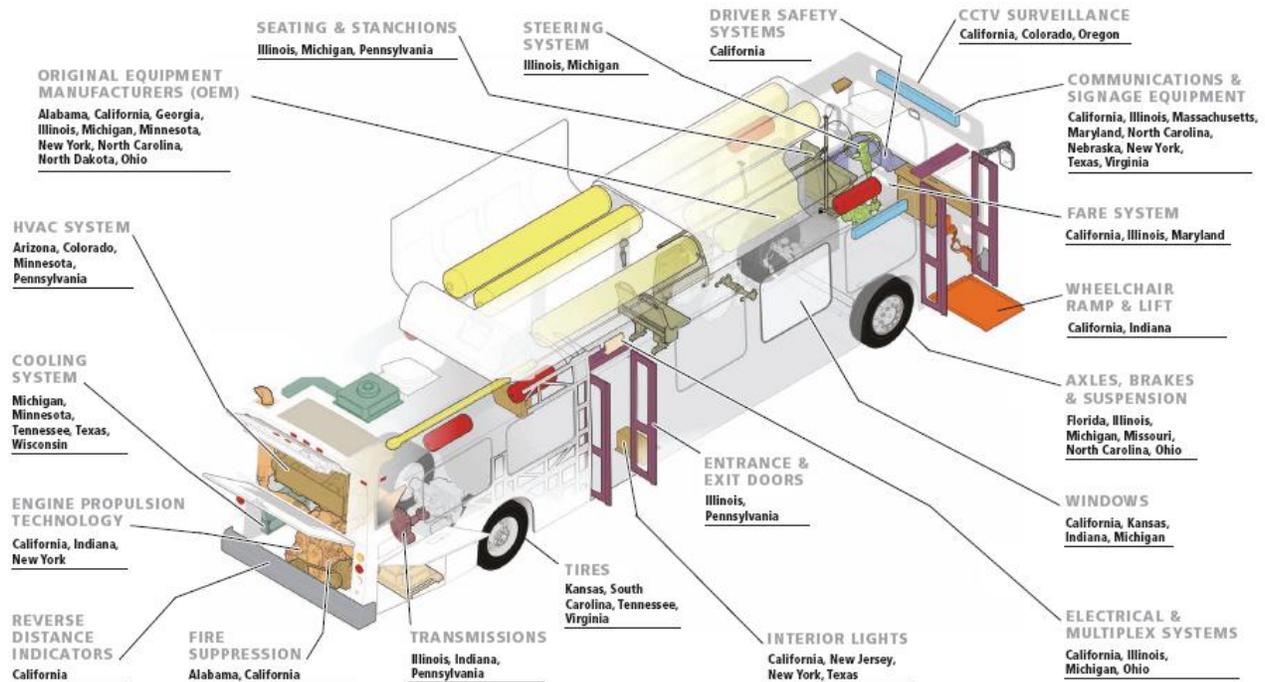
TARC is therefore using the option FTA established in 1998 to "piggyback" on a sister agency's contract for buses. TARC has requested and been granted the right to use up to 20 of these purchase options from our friends at the Nashville MTA. Using these options, TARC will issue a purchase order early in May to the Gillig Corporation of Hayward, California, for ten, 40-foot hybrid electric buses. We expect to take delivery of those buses during the summer of 2010.

With the addition of ten hybrid buses, and three new ones arriving this summer, TARC's fleet of hybrids will expand to 22 buses. These vehicles have proven to be an excellent investment. They reduce pollution-causing emissions, require little maintenance and provide a quieter and smoother ride for TARC's customers. Their fuel economy is roughly 20 percent better than our diesel buses.

While TARC will not receive our new buses until 2010, our order has immediate employment effects. Our original equipment manufacturer (OEM) is Gillig Corporation in Hayward, California. When Gillig receives our purchase order they will place their own orders for components like engines, transmissions, brake assemblies, air conditioning units and for raw materials like steel. For every new job created at OEMs as vehicle orders increase, ten or more jobs are created in the supply chain before the first vehicle in a new order is assembled. Also, "Buy America" requirements that are established in federal law for procurements involving federal assistance assure that most of a transit vehicle's components must be of domestic origin and that final assembly of vehicles must take place exclusively in the United States. These jobs are "green" manufacturing jobs, too. The hybrid propulsion system and transmission in our buses will be manufactured by Allison Transmissions in Indiana.

Bus Manufacturing = Jobs Across America

Putting Americans to work, building stronger communities, and helping create a more energy-efficient America



Additional TARC projects and maintenance of TARC service

The remaining ARRA projects for TARC will create more conventional jobs. The 30-year old roof on the bus barn is the size of six football fields and is long overdue for replacement. It is expected that 29 (full-time equivalent) roofer jobs will be created by this \$2.2 million project. TARC will also apply for funding from the newly created \$100 million Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) program to put solar panels on the bus barn roof. If this \$2 million request is awarded, the solar panels will generate enough electricity to defray tens of thousands of dollars annually in utility costs, not to mention reducing the demand on, and the greenhouse gas emissions from, local coal fueled power plants. In addition, this project will create American jobs in the manufacture and installation of the panels.

Finally, the 29th Street maintenance and bus storage facility will be renovated at a cost of \$2.4 million. This 53 year-old facility is so leaky it has stalactites and stalagmites growing in it, rivaling Mammoth Cave National Park in Rep. Guthrie's 2nd District. The rehabilitation will include new roofing, overhead doors, and bring the building up to code with new electrical, lighting and ventilation systems.

The last, but perhaps most important, activity that TARC will undertake, under the Recovery Act is our plan to put \$1.2 million to immediate work preserving 29 jobs related to preventative maintenance activities for our fleet of buses. Without the injection of these funds, not only would those jobs be lost, but a very significant amount of service to our greater Louisville community would disappear as well.

It has been TARC's objective to preserve transit service to our community above all else. Rather than cut service, TARC has put off purchasing buses to replace those that have exceeded their useful lives. Rather than reduce transportation options to our community, TARC has deferred maintenance on most of our facilities.

I would add that while TARC will be able to maintain its service levels and keep all of our employees working, other transit providers are facing tremendous gaps in their budgets. In 2008, our cost of providing service exploded as the price of diesel fuel rose to more than \$4 a gallon. As a result, transit systems across the country began raising fares, cutting service, and in some cases, implementing employee layoffs. While the price of diesel has receded, the situation of most transit systems has not improved. As the economy faltered last fall, state and local revenues that support public transportation have declined precipitously. Shortfalls in our operating budgets will continue to be a major challenge for transit agencies for the remainder of this year and beyond.

ARRA transit investment across the nation

The examples I have offered from Louisville mirror activity that is occurring across the nation. In Kentucky, our sister agency in Bowling Green in Rep. Guthrie's community is using its share of ARRA funds to purchase maintenance equipment, buy five new 24-passenger buses, and design a bus maintenance facility. Elsewhere, transit systems are quickly implementing the 787 "ready-to-go" projects that an APTA survey identified last year, including example projects discussed by this Committee: the Virginia Railway Express (VRE) is using ARRA funds to buy locomotives from MotivePower, Inc. in Boise, ID; Muncie Indiana's transit system is buying hybrid buses from Gillig in California; and the Chicago Transit Authority (CTA) has already started vital track reconstruction with economic recovery funds and is buying 58 articulated hybrid buses from New Flyer, Inc. in St. Cloud, MN. Without the efforts of this Committee to demonstrate the value of transit and transportation investment in economic recovery legislation, none of these projects would have been possible.

Conclusion

To conclude my testimony, I thank Chairman Oberstar, Ranking Member Mica and the other members of this Committee who worked to increase the total level of transit funding in economic recovery bill and fought to include energy assistance grants for transit agencies to prevent service cuts, fare increases and employee layoffs. To cite just one effort, we thank Subcommittee Chairman DeFazio and Representatives Nadler and Lipinski who worked to amend the recovery bill on the House floor. While the final ARRA legislation did not contain all of the funding or provisions that we sought, the transit industry and its customers cannot thank this Committee and its members enough for their support.

I think I can speak for transit agencies throughout the country when I say that this current Congress is generating fresh energy and renewed commitment to public transportation. APTA has for decades promoted the role of transit in improving our economy, reducing energy dependence and caring for the environment. Today, with the support of this esteemed Congress, our message is taking hold in historic proportions and we are optimistic that your support will be a key factor in improving public transportation and the quality of life in communities throughout America.

Appendix: Project Updates from APTA Economic Recovery Survey

- **Virginia Railway Express (VRE), Alexandria, VA:** VRE's "ready-to-go" projects included the acquisition of 15 locomotives to allow the commuter railroad to increase capacity by deploying longer eight- and 10-car trains. In February 2008, VRE signed a contract with MotivePower, Inc. to purchase as many as 20 replacement locomotives. Prior to the enactment of ARRA, VRE had been able to purchase only five locomotives due to a lack of funding. Using economic recovery funds, the railroad hoped to purchase the remaining 15 locomotives under the contract. MotivePower locomotives are manufactured in Boise, ID. Cost: \$63,000,000.

Project Update: VRE will receive \$9.8 million in ARRA funds. On March 20, the VRE Operations Board authorized amending the base order to purchase four additional locomotives using almost all of the system's ARRA funding in combination with a smaller amount of FTA formula funds. The total contract value is now \$33 million, and VRE needs to raise approximately \$30 million to purchase the remaining 11 units.

- **Muncie Indiana Transit System, Muncie, IN:** The Muncie Indiana Transit System is in the final year of an existing bus procurement contract with Gillig Corporation, and one of its "ready-to-go" projects was to use contract options to purchase four diesel-electric hybrid buses. The buses would be Muncie's first deployment of hybrid technology, and they would replace vehicles purchased in 1994 that are well past their expected service life. Diesel-electric hybrid buses reduce fuel consumption by as much as 40 percent, and regenerative braking technology reduces maintenance costs for transit agencies. Gillig buses are built in Hayward, CA. Cost: \$2,100,000.

Project Update: As a result of receiving \$1,667,980 in ARRA funding, the Muncie Indiana Transit System has exercised its option to purchase three Gillig hybrid electric buses. Although MITS' FTA grant application is still under review, MITS has proceeded with contract award under FTA's pre-award authority. MITS expects the buses to be delivered at the end of this year or early next year.

- **Chicago Transit Authority (CTA), Chicago, IL:** The CTA's "ready-to-go" projects included the purchase of 200 diesel-electric hybrid buses from New Flyer, Inc. in St. Cloud, MN (\$166 million) to replace the fleet's oldest buses; and track renewal projects for the Blue Line Dearborn Subway track (\$87 million). CTA hoped to use economic recovery funding to replace deteriorating ties, track and fasteners on subway and elevated lines, thereby eliminating the main cause of slow zones on the system.

Project Updates: The CTA will be using \$50 million of the system's \$240 million ARRA allocation to purchase 58 hybrid, sixty-foot articulated buses from New Flyer, and bus delivery will begin in June. On an average weekday, 18,000 customers will be directly impacted by the New Flyer bus purchase.

The CTA will also be spending \$88 million of ARRA funding to renew track in the Blue Line subway tunnel that traverses downtown Chicago. On March 11th the CTA Board approved the contract, and on April 17th the CTA put the shovel in the ground, starting 7 miles of track reconstruction. These 7 miles of track are at the end of its useful life and needs to be rebuilt, as was unfortunately highlighted by the July 2006 derailment that was caused by old track. CTA estimates that without the reconstruction of this section of the Blue Line that up to 50% of the tracks in this segment will be under a 15 mph slow zone by December 2009. Track renewal will benefit the 133,000 daily Blue Line riders, and 400 jobs will be saved or created by the work.