

Deputy Administrator Speeches 2014

<u>10/1/2014</u>	WTS International Transportation Policy Symposium, Washington, DC		
<u>8/27/2014</u>	Keynote: Central Ohio Transit Authority		
<u>6/20/2014</u>	Mineta National Policy Summit, Commonwealth Club of California		
<u>6/16/2014</u>	2104 APTA Rail Conference - Montreal, Quebec, Canada		
<u>2/5/2014</u>	Southwest Transit Association - San Antonio, TX		

Southwest Transit Association - San Antonio, TX

2/5/2014

**Therese McMillan
Deputy Administrator
Federal Transit Administration
Southwest Transit Association
*Remarks as Prepared for Delivery***

Thank you. It's great to be with you.

Secretary Anthony Foxx, Administrator Peter Rogoff, and I have all spent a lot of time in the Southwest over the past year.

FTA worked with you to open or break ground on projects across the region.

From **New Orleans**, where the new Loyola Avenue streetcar is anchoring blocks of economic development

... To **Denver**, where the 12-mile West Rail line has expanded the city's light rail.

From **Glenwood Springs, Colorado**, where we opened the first rural BRT service in the country...

... To **Houston**, where the NorthLine became the first of three new light rail lines to open.

The Southwest is becoming a model for how communities can meet explosive growth with a balanced transportation system.

And you're demonstrating in a vivid way how transit can provide - as President Obama calls them - *ladders of opportunity*.

His State of the Union address last week was a powerful evocation of the optimism that lies at the heart of America.

He tied each initiative to opportunity: ... Jobs and economic opportunity ... Educational opportunity ... and the opportunity to achieve and sustain a life in the Middle Class.

This is what transit does - it's what *you* do.

We connect people to opportunity

Secretary Foxx's Priorities

Our Secretary of Transportation, Anthony Foxx, has picked up the theme of opportunity and articulated the priorities that we as a department need to

focus on to fulfill that vision.

He joined us almost seven months ago, and some of you have had the chance to meet him as he's travelled throughout the Southwest.

He was formerly the Mayor of Charlotte, NC, and he understands our programs from the point of view of a grantee, a transit operator, and a local elected official.

Recently, at the Transportation Research Board annual meeting, he laid out four priorities for America's transportation systems.

I want to share those with you and how they fit in with our work at FTA.

They are also an excellent encapsulation of the issues we need to address as we move towards a new transportation reauthorization law.

A National Vision for Transportation

His broader vision is that "Our transportation system should be greater than the sum of its parts."

If that sounds familiar, it's because those of us who work in transit - and certainly here in the Southwest - live and die by the connections we make among modes of travel.

We're used to considering how we can connect bus, rail, bike, pedestrian, airport, and highway travel.

Secretary Foxx is working towards a national vision for transportation that connects communities to opportunity.

From his own experience in Charlotte, he's mindful that when conceived of in isolation, transportation projects can actually divide rather than connect communities.

Predictable Funding

That vision can only be built on the solid foundation provided by predictable funding.

It's been 10 years since a 6-year surface transportation authorization bill was approved.

That means funding has been anything BUT predictable for those of you who rely on federal funding.

Now we're approaching the end of MAP-21 - with a Highway Trust Fund that could run out as early as August.

The President and the Secretary are calling on Congress to pass transportation funding that provides a predictable foundation for sustained future growth.

Secretary Foxx has also identified the urgency of closing our infrastructure deficit.

Nationally, the backlog for *transit* repair and maintenance exceeds \$86 billion.

We'll soon be issuing a Conditions and Performance Report detailing the state of America's transportation infrastructure.

While I can't share all of the details with you today, here's one fact that makes clear the deep hole we find ourselves in: nationally, we would need to invest \$2.5 billion a year *just to stay where we're at right now*.

Over the last five years, FTA's worked to meet that need by investing billions from MAP-21, the American Recovery and Reinvestment Act, and discretionary funds.

But to finally close the gap and repair our aging infrastructure will require a transportation bill that provides predictable long-term funding – and that reiterates that state of good repair is a priority on par with expanding services.

Efficiency in Regulations

Secretary Foxx has noted, however, that “we are not going to be able to spend our way out of this infrastructure deficit.”

To get the most out of the money we do have, we have to address the cost of projects.

One way we're doing that is by reducing red tape.

In his State of the Union address two years ago, President Obama called on federal agencies to find ways to get construction projects started sooner.

Over the past year, we streamlined our New Starts / Small Starts capital investment program, helping local project sponsors potentially shave six months or more off the time required to move major projects through the New Starts pipeline.

We have a more straightforward approach for measuring a proposed transit project's cost-effectiveness; we're considering an expanded range of environmental benefits; and we've added economic development factors into the ratings process.

These were common sense changes we made in response to your suggestions.

Thank you for helping us get projects started – and finished – quicker.

To further save time and taxpayer money, FTA recently made available a new software tool to help sponsors estimate transit trips on proposed projects.

Transit STOPS is expected to reduce the length of time needed to develop ridership forecasts from as much as two years to as little as two weeks—and save project sponsors as much as \$1 million on consulting and administrative costs normally incurred during the process.

Safety

Safety is our highest priority, across all modes of travel.

By giving FTA transit safety oversight for the first time, MAP-21 makes us more responsible than ever for the rider experience.

We are in the process of implementing FTA's new safety oversight authority.

In October, FTA issued an Advanced Notice of Proposed Rulemaking (ANPRM) on Safety and Transit Asset Management. Keeping transit systems in good working order goes hand-in-hand with keeping them safe.

We want to give you and other industry leaders the chance to weigh-in and shape these new rules as early as possible.

The Southwest has a vast range of transit agencies, big and small, urban and rural.

You'll be glad to know that we've adopted a Safety Management Systems approach that will let us avoid one-size-fits-all regulations.

Keeping a safe mode of transportation safe will require a new partnership:

The FTA acting as leader, facilitator, and final regulatory authority...

... And states with State Safety Oversight obligations serving as day-to-day regulators.

Conclusion

So Secretary Foxx has laid out these priorities:

Building on our safety record for all modes of transportation;

Ensuring funding is predictable to build and sustain needed transportation infrastructure and services;

Improving the regulatory infrastructure that can deliver our infrastructure projects more quickly and effectively;

Setting a bold *national* vision for transportation;

And ensuring that EVERYONE takes part in that vision by connecting to a transportation system that links to economic and social opportunity.

In doing so, he recognized that these are not new ideas. Especially for stakeholder groups like this one.

But they are absolutely essential as the foundation for a balanced transportation system that is capable of adapting to a growing and changing America – nowhere more so than here in the Southwest.

And they are necessary if we're to answer President Obama's call to action.

I want to submit to you today that public transit – your work, your passion – is indispensable in achieving those goals.

You're the ones that are connecting people to jobs.

You're the ones that, with our help, are supporting US manufacturing jobs by buying American-made buses and rail cars.

And you're the ones that – in places like Tempe, Houston, and El Paso – are connecting communities to universities and vice versa, expanding educational opportunities.

So it's an honor to be with you today to celebrate what we've accomplished together – and to look forward to all the things we'll accomplish in the year – and years – to come.

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2014 APTA Rail Conference - Montreal, Quebec, Canada

6/16/2014

Therese McMillan
Deputy Administrator
Federal Transit Administrator

Remarks as delivered:

Thank you.

It's great to join you again.

The people of Montreal have been such gracious hosts. While we're here in this famously bilingual city, I would say it's appropriate that we say both "thank you" and "merci."

But for those of you who are from the United States, I want to make sure we all go home speaking the same language - and I'm not talking about English.

I'm talking about transit - and this summer of decision.

We face both reauthorization and a looming shortfall in the Highway Trust Fund that provides so many of our critical transportation investments.

And it's not just about the future of our transportation systems, as Joe was able to articulate in his remarks, this really is about sustaining the growth and the quality of life in our communities.

And all of it is on the table now - and in the next few months, Congress will decide to act or it will decide to delay.

You have the opportunity to help shape that decision.

Now if you have any doubt as to what you can accomplish as the transit industry, let me make a suggestion.

At this very conference, and particularly tomorrow at the luncheon, we'll be celebrating 100 years of action by APTA, and the organizations that came before it, to ensure the safety and security of transit.

Because of that work, transit has been and continues to be one of the safest ways to travel.

At FTA, we'll take any excuse to remind people of that - especially when we're talking about our new transit safety oversight that was provided through MAP-21.

As you've heard us say on many occasions: our aim is to keep a safe mode of transit as safe as possible.

And despite the very real challenges we face, we can approach that work with confidence and optimism because of the long record of action on your part as the transit industry.

That's why we continue to insist that the safety regime, that was developed under FTA authority, will NOT be a one-size-fits-all because the transit community is diverse and we will be responding to the range needs you actually have.

And in fact, the GROW AMERICA Act, which I'll talk more about shortly, calls for increased flexibility on many many levels including safety.

Now our recognition of your expertise is why we sought your input as early as possible through the Advanced Notice of Proposed Rulemaking that we issued last Fall, and thank you for the many generous and thoughtful comments that you provided to us, and we're continuing to invite your input as we're working to publish a new Safety NPRM in the near future.

So again that's just one example of the partnership that we have been trying to establish with all of you in the room in terms of looking toward the future of where transit needs to go.

So my suggestion is simply that you look at our collaborative long history of accomplishment on what must be – and at DOT, certainly is – our #1 priority: the safety of the people we serve and of the people who serve them – the transit workers.

If you recognize, as we do, what effective advocates that you've been to date, you'll understand why I'm so eager to make sure we're all singing from the same sheet of music at this very critical time for transit.

So I would like to share with you today what we see as the central priorities that we have to address for transit through reauthorization.

As you know, about two months ago the Administration sent to Congress the GROW AMERICA Act...

... a bold plan that would provide \$302 Billion for transportation over the next 4 years, including \$72 Billion for transit.

That's a 70% increase over current spending – enough to allow us to increase – yes, that's the “go big or go home” philosophy of putting something forward – enough to allow us to increase our core formula grant programs and to expand services and to invest in a meaningful state of good repair.

The GROW AMERICA Act would also close that looming gap in the Highway Trust Fund – without adding to the deficit.

And unless Congress decides to act, the Highway Trust Fund will run short as early as August, and the Mass Transit Account will follow it in the fall.

At that point, the Federal Transit Administration will have to begin cash management procedures, delaying and potentially reducing the reimbursements you're counting on unless a solution can be found.

So indeed this is a crucial time for transit and for transportation in general.

Now, by its very nature, any bill that passes Congress and makes it to the President's desk will be the product of compromise and of negotiation. That's a given.

While it may differ in its details, we believe that any bill worthy of the transit industry's support must address three key priorities.

FIRST: It must help close our infrastructure deficit. This is the foundation of everything we're trying to do.

Last week, the New York Subway system celebrated its 110th birthday. Congratulations.

How much do you want to bet that they're still relying on at least some of the original parts of the subway system in celebrating its 110th birthday?

As an industry, they wouldn't be alone in that reliance.

The \$86 Billion backlog in transit maintenance means that many of you are making due with vehicles, stations, and equipment that are in need of repair or replacement. We should not be in a position in just making due. That's not enough of what we want to provide for our transit riders.

We'd need \$2.5 Billion more every year from all sources just to maintain the status quo.

It's no surprise that most of that backlog is in rail infrastructure, because of its capital-intensive nature, that accounts for about 63% of the state of good repair backlog.

Today, it's state and local governments that have been bearing a major part of that burden, taking on more than half the annual spending to preserve and grow the nation's transit systems.

That's an important partnership, but the federal government needs to be a key partner as well.

These backlogged deficiencies have a direct impact on riders; they undermine the resiliency of our transit systems; they drain resources that could be better spent on strategic and timely replacement instead of catching up with the backlog; and it gets in the way of effective expansion.

So the GROW AMERICA Act increases State of Good Repair grants by 164%, to a total of \$23 Billion over the next four years.

Combined with state and local funding, that would be a significant payment towards filling the serious infrastructure deficit that is facing us.

To keep transit safe and reliable, any reauthorization bill must address our infrastructure backlog aggressively.

Only by doing that can we establish a solid foundation on which to meet the SECOND priority which is keeping ahead of growing demand for transit and an expanding population.

As you know, transit ridership is at its highest level in generations – APTA’s been sure the world knows of that fact in its on-going reports – and at FTA we’re extremely proud as well that cities across the country are recognizing the value of having transit as part of its mobility portfolio. With a population that’s expected to expand by 100 Million people by 2050, that’s only going to increase.

Smart communities are investing in transportation infrastructure now to stay ahead of congestion and to pave the way – sometimes literally – for future growth.

Of course, Administrator Szabo and I believe, as you do, that rail is an essential component of that strategy to meet growth.

From Boston to Los Angeles – and Washington, D.C., to Washington State – communities of vision agree on that point.

In fact, some of our colleagues stopped in Minneapolis-St. Paul on the way here to celebrate the opening of the Central Corridor Light Rail Line in the Twin Cities. That project is 11 miles and 18 stations connecting millions of riders with jobs and opportunities throughout the Twin Cities areas.

The danger is that without long-term, predictable funding from the federal government, local leaders will begin to lose that confidence that they can have those visions and will then start turning to less ambitious projects that fill immediate needs but that do not adequately prepare us in a forward-looking way for the challenges of the future.

So one way to grade any re-authorization legislation is to judge its commitment to keeping pace with growing population.

And that, in turn, requires a commitment to resources that will help us rise to that challenge.

Today, there are 50 projects currently competing for limited Capital Investment Grant program – our popular New Starts, Small Starts, and Core Capacity programs – that included 13 projects already under construction and 37 projects in various earlier stages of development.

There are another seven standing at the door waiting in line hoping to get in.

The GROW AMERICA Act would increase funding for Capital Investment Grants by 29% over the 2014 level to a total of more than \$10.7 Billion over the next four years.

The THIRD priority for reauthorization: that is to create ladders of opportunity.

There are many reasons President Obama has been such an extraordinary supporter of transit, including:

- Your ability as an industry to move people safely and efficiently from Point A to Point B;
- Your positive impact on clean air;
- And the ways in which you help our nation become more energy independent.

Chief among those reasons, though, may be the fact that transit creates jobs, including creating jobs for the community it exists in.

That's true in at least two important ways: the economic development brought about by investment in rail – we heard about what's happening in Denver as one example of that – and the thousands of construction jobs required to complete those projects.

It's true as well of the many suppliers, manufacturers, and vendors who benefit from spending on transit.

But we don't want to overlook, though, the jobs you create directly and the many people you employ in good, family-supporting jobs in the delivery of transit every day.

Jobs in the transportation industry can be a ladder of opportunity. At the same time, you rely on your workers' skills and expertise to continue providing safe and reliable service.

In recognition of that, the GROW AMERICA Act enhances access to training in high-tech, operations, and construction jobs within the transit industry.

It would help adapt the workforce to rapidly changing transportation technology by providing 10-times as much funding for workforce development each year for the next four years as in 2014 alone.

That's a boon to those workers, to the industry that relies on them, and the riders they serve.

So, these then are three questions, I pose, that you can use to judge whether any reauthorization bill working its way through Congress meets the priorities of the transit industry:

Does it help close the \$86 Billion transit infrastructure deficit and provide for effective state of good repair going forward?

Does it prepare us for increased demand with investments in new services?

And does it build ladders of opportunity and create jobs for American workers, including those in the transportation industry?

There are many many more provisions in the GROW AMERICA Act that we could talk about.

You can find out about all of them from our web page: fta.dot.gov [FTA -dot- DOT -dot- GOV]

From there please click over to our GROW AMERICA page where we've posted more information, including a video of the webcast we held recently to answer your questions about the proposal.

I want you to be as informed as possible, because it's up to you to get the word out.

Your stories are the most persuasive: the needs, the opportunities, and the risk of inaction. These are not fairytales, these are stories of fact, these are stories of experience, and these are stories of people's lives.

And in this summer of decision, you can help lead that debate. Transit's point needs to be heard and you can carry that forward.

So thank you for having me here.

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Mineta National Policy Summit, Commonwealth Club of California

6/20/2014

**Deputy Administrator Therese McMillan
Federal Transit Administration**

[Audio of Mineta National Policy Summit](#)

Remarks as Prepared for Delivery:

Intro: A Season of Decision

Thank you.

And thank you, Secretary Mineta.

What a privilege it is to be introduced by someone who's served his community and his nation so well, for so long.

And what a privilege it is to not only be serving the American people, but to do so at a time when the demand for transit is on the rise.

Last year the transit industry had the highest ridership in generations and the seventh straight year delivering more than 10 Billion trips.

While we're optimistic about the role transit will play in a growing nation, we are faced with real challenges.

At the Federal Transit Administration, we're also part of a larger conversation about the entirety of America's transportation network - and it, too, is at a crossroads.

The law that makes it possible for us to invest federal tax dollars in our nation's transportation infrastructure expires this fall. But even before that happens, a central part of the Highway Trust Fund is expected to run out of money.

The fund's Highway Account is expected to go bust in August, when Congress is on vacation.

The Mass Transit account may dip below \$1 Billion in October, at which point the FTA will have to begin delaying - and potentially reducing - reimbursements to our grantees.

So this is a season of decision.

The choices, in the main, are not complicated: either Congress will decide to act or it will decide to delay.

But the stakes are incredibly high.

The future of our transportation system hangs in the balance, as well as the sustained growth and quality of life of our communities.

All of this is on the table.

I think this is essential information to frame today's discussion about how we finance our nation's transportation systems.

It's not a hypothetical conversation. It is real – as real as concrete that's crumbling and steel that is bent.

It's as real as the people who travel over and under and through that infrastructure every day.

When we talk about funding for our nation's transportation systems, this is the context we should keep in mind. And we should be prepared to answer some fundamental questions:

- What is it that we're funding and why?
- What's the portfolio of funding options that are available?
- Are we holding to the key priorities of maintaining infrastructure, expanding services, and building ladders of opportunity?

Why We Invest

First, let's talk about why we make substantial investments in transportation.

One reason is our economy. Transportation is its backbone; that's indisputable.

Today, our manufacturing and energy sectors are on the rise, and that'll require more investments in roads, rail, and ports.

Transit itself can be an economic catalyst.

In Dallas, they've gone from zero miles of light rail to the most miles of light rail in America, all in 30 years. That's generated more than \$7 billion in economic activity and tens of thousands of jobs in the last 10 years alone.

Even our internet economy relies on highways and planes to make next-day delivery possible.

U.S. Transportation Secretary Anthony Foxx recently met Scott Davis, the CEO of UPS, who told him that 5 minutes saved or lost in shipping packages can mean a difference of 100 Million dollars.

The reliability of our transportation systems will also make the difference for 100 Million *people*. That's the number of new citizens we're expected to add between now and 2050 – an increase of about 30%.

When you consider what it means to keep all of us moving both safely and efficiently, I think it's absolutely essential that we focus on what it means for individuals...

... Individuals like a young woman named Jada, in Birmingham, Alabama.

She's another person Secretary Foxx met on his remarkable bus trip through 8 states, but she brings a different perspective than the CEO of UPS.

She's a high school senior who gets up pretty early to catch a city bus at 6 AM so that she can make it to school on time.

Without that bus, Jada wouldn't get the kind of education her mother wants for her and has worked so hard to provide.

It also means Jada might not one day be able to contribute to the economy in a way that's as beneficial to her and her community.

Or consider the people of Glenwood Springs, Colorado - a town of less than 10,000.

Some of the people living there travel over 80 miles round-trip every day to work in Aspen, and the new Bus Rapid Transit service that opened there last year cuts that commute in half, saving each of them hours every day.

Or imagine Leah Osborne's students, who live in El Paso, Texas.

Leah teaches students who are developmentally disabled. She told me that a key life skill they learn is how to use public transit so they can be as independent as possible.

Each of these individuals is a "reason why": *why* we make investments in transportation and *why* we work so hard to keep it safe and reliable.

What We Invest In

What we invest in is also an essential question.

For transit, we're investing in *safety*, *choices*, *connections*, and *neighborhoods*.

Safety is pretty straightforward. It's our first priority, throughout DOT, and nothing else we do would matter without it.

Fortunately, transit is already among the safest ways you can travel. Our goal is to keep it safe.

For decades, the Federal government did not have transit safety oversight.

The Obama Administration fought for that authority and now that we have it, we're committed to working very closely with the transit industry to make it flexible enough to fit a diverse industry with agencies of wildly different sizes and configurations.

Our goal is to keep both transit riders and transit employees safe.

We're also making investments that maximize *choice* by helping local communities put in place transit options that are right for them.

For instance, this year we're recommending 26 local projects under our Capital Investment Grant Program – popularly known as New Starts / Small Starts.

They were chosen by communities in 16 states, and they include a full range of transit options, including:

- Subways in Los Angeles;
- Commuter rail in Orlando;
- Bus Rapid Transit in El Paso;
- Streetcars in Fort Lauderdale;
- And light rail in Baltimore.

It's not enough, though, to just provide choices: we also have to invest in the *connections* that make transferring from one to another as seamless as possible.

Denver's a great example of what I'm talking about.

We just celebrated the opening of the city's refurbished Union Station. It now brings together Amtrak, cars, interstate buses, taxis and shuttles, bike and pedestrian access, along with the city's transit options: bus, light rail, and, very soon, commuter rail.

In the far smaller town of Mansfield, Connecticut, the new Nash-Zimmer Center not only brings together various modes of transport, it also provides ready access to the town's civic and commercial center.

And in Minneapolis, the new Target Field Station adds a unique public space to the mix, making it a true crossroads for that community.

A multimodal approach, then, not only makes it easier for the people who use these services, but also makes critical connections between people and communities.

While we're talking about *connections*, we also need to ask what it is we're connecting *to*.

That question speaks not only to the needs of the individual, but also the need of the community.

In Los Angeles, the Crenshaw/LAX light rail line and the Westside subway extension are both bringing new access to the city's downtown and points in between, along with the jobs and services they offer.

In Orlando, the new SunRail commuter line is itself a destination, acting as the catalyst for a \$250 Million public-private investment in the 176-acre Health Village at Florida Hospital.

By deliberately locating the facility near the SunRail station, and the SunRail station near the facility, they are enabling thousands of medical researchers, hospital employees, patients, and their families to take transit to work and to obtain medical care.

In communities like Charlotte, North Carolina, and Phoenix, Arizona, universities are major employers, and the needs of their students and employees drive transportation planning.

Charlotte is extending its successful light rail north to reach UNC Charlotte so that students and university employees have a better way to get to and from campus –so that residents have better access to all of the activities going on at the university, including a most important cultural event: 49ers football.

That's the UNC Charlotte 49ers – sorry, San Francisco.

With transit, we also have the opportunity to invest in neighborhoods – those that are booming and those that, over time, have been left behind.

That allows us to direct growth in a way that creates sustainable neighborhoods within the footprint of existing infrastructure.

Just as the elevator in a highrise apartment can move you the equivalent of a city block in seconds, transit options like streetcars can redefine what we call “walkable.”

That's true in Atlanta, where the city's modern streetcar will connect major tourist attractions around Centennial Olympic Park with the historic sections of Auburn Avenue where Ebenezer Baptist Church and the King Center are located.

The very presence of the streetcar enhances the community so much that it's brought a tremendous amount of capital investment into the neighborhoods surrounding the project.

Since it was announced in 2010, \$370 Million in development has been completed along the corridor.

There are 26 projects still underway that are worth another \$375 Million.

That includes a lot of mixed-income and affordable housing, including some that's planned for students at Georgia State University's urban campus.

I had the chance to eat at a restaurant there on Auburn Avenue that's situated right where the streetcar will stop.

The owner, Matthew Nelson – a small business owner – told me he can't wait for the city's new streetcar to open because, having put up with the construction, he's ready for “the sweet taste of success.”

El Paso is home to Fort Bliss, one of the biggest military bases in the country.

The neighborhoods near the base are expected to grow nearly 30% in the next 20 years.

When I was there last, I had the opportunity to attend a groundbreaking in one of the dustiest, most barren lots you're likely to see.

Before it was an empty lot, though, it was a rundown and mostly vacant mall – a real eyesore in the community.

Now we're helping build a regional transit center there that's bringing new shopping, services, and a community park to the people who live there.

The families that are stationed at Fort Bliss are raising children, holding down jobs, and pursuing education, but somewhat isolated from everything El Paso has to offer.

Giving them better access to those opportunities is the least we can do for the service members and their families serving our country.

How We Pay For It

Now that you're thinking about what transportation infrastructure means to the people and communities it's there to serve, let's move on to the reason we're here today: "How do we pay for all of this?"

No matter how clear the benefits or how compelling the payoff, we still have to buy the land, plan the project, pour the concrete, lay the steel, and hire the men and women to get the work done.

This is not a new concern.

When French writer Alexis de Tocqueville was touring the young United States in the early days of the 19th century, he interviewed a man who told him – and I quote:

"It's a great constitutional question whether Congress has the right to make anything but military roads. It's the States that often undertake to open and keep up the roads traversing them. Most frequently, these roads are at the expense of the counties. In general our roads are in very bad repair."

The irony is that today we know full well that funding our transportation systems must be a partnership among federal, state, and local governments – and yet our roads, railways, and transit systems still suffer.

The American Society of Civil Engineers graded our infrastructure systems last fall. Our bridges got a C+, roads and transit a D, and our levees a D-.

In transit systems nationally, we have an \$86 Billion backlog in repairs and replacements.

Not unlike the 1830s when de Tocqueville was writing, today it's state and local governments that are bearing the cost, taking on more than half the annual spending to preserve and grow the nation's transit systems.

We're hearing from across the country that states are preparing to take on even more of the burden, or else to cancel and delay projects altogether – because of the looming shortfall in the Highway Trust Fund that I spoke about earlier.

Let me assure you: uncertainty has the same effect on transportation planning that it has on Wall Street.

Some examples from around the country:

- *Oregon* is already deciding which of its necessary road projects can be slowed down, delayed, or cancelled.
- *Arkansas* figures it can live with an 80-year-old bridge a little longer if it has no other choice.
- *Michigan* has enough money set aside to make it through the summer – but after that the potholes may go unfilled.
- And *Missouri* is looking to join seven other states that have already decided over the past two years to raise revenue through gas tax increases and other measures.

By the way, that includes states you might expect, like Maryland and Massachusetts, and ones you might not, like Wyoming and Virginia.

Truly there are no Republican or Democratic bridges, roads, or railways.

Here in California, of course, the legislature's just voted to dedicate Cap & Trade funding to transit and sustainable communities, giving Washington, DC, one more example of what leadership looks like.

How much better off would we be if all of these local partners knew they could count on predictable, long-term funding from the federal government to expand on those commitments?

How much wider would their vision become?

One of the interesting findings for transit in the Mineta Transportation Institute's national survey is that nearly two-thirds did not know that the federal government helps fund local transit at all.

To put that in perspective, FTA's formula and discretionary grants programs often provide up to 80% of a project's capital costs.

It's understandable that people are more concerned with whether the bus is on time than who paid for it. But it can be hindrance in encouraging Congress to ensure that the Department of Transportation can pony up its share.

Today, our transportation investments are always a portfolio of different revenue and investment options; there's *never* simply "one best choice."

From FTA's perspective, that can include formula funding, the Capital Investment Grants I mentioned earlier, any one of various discretionary programs, and DOT-wide programs like TIGER grants and TIFIA loans.

And increasingly, the list of solutions also includes private sector participation through Public-Private Partnerships, Joint Development, and other forms of Value Capture.

For instance, Denver's Eagle P3 project is extending rail service to the airport. A group of private investors is taking on the up-front costs and the transit agency will pay them back over the course of 30 years, much like you'd use a mortgage to spread out the cost of buying a home.

As the demand on public funds increases, transit projects must be able to participate in at least some of the value they create, above and beyond increased property taxes.

The portfolio of potential funding sources will have to expand if we're going to continue investing in these critical transportation projects.

GROW AMERICA & 3 Priorities

As you know, President Obama and Secretary Foxx have responded to the opportunities and the challenges that lie before us with a bold plan.

I want to talk about that plan now, but I also want to suggest that there are three priorities that you can use to evaluate that proposal or any other.

About two months ago, the Administration sent to Congress the GROW AMERICA Act.

It would provide \$302 Billion for transportation over the next 4 years, including \$72 Billion for transit.

That's a 70% increase over current spending, enough to allow us to increase our core formula grant programs and both expand services and invest in a meaningful state of good repair program.

When I spoke earlier about how local communities need a significant commitment from the federal government, that's the kind of investment I had in mind.

The GROW AMERICA Act would also close the gap in the Highway Trust Fund I spoke about - without adding to the deficit.

I also told you how our surface transportation law needs to be reauthorized for us to continue making investments in our critical infrastructure.

Any such bill that passes Congress and makes it to the President's desk will be, by its very nature, a product of compromise and negotiation. That's a given.

And while it may differ in its details from the Administration's proposal, any bill worthy of support must address these three key priorities.

FIRST: it must help close our infrastructure deficit.

Those barely-passing grades we got from the American Society of Civil Engineers? The D's and C's?

We did *NOT* get those because Americans have forgotten how to build roads and bridges.

We got them because some of the roads and bridges we *have* built are old enough for Medicare and no closer to retirement.

Maybe it's because we're so good at building things that we think they'll last forever – but they won't.

Earlier this year, Secretary Foxx visited the Cumberland River in Nashville.

One of the bridges there has been shut down three times recently because concrete continues to crumble and fallen on the road below – the road where people are driving.

Last summer in Philadelphia, a key transit bridge was shutdown for several weeks because when it gets hot, the ties holding the rails down become warped and it's not safe for trains to cross.

Instead they unloaded everyone at one end of the bridge and bused them to the next station. That lasted for weeks.

And they're not alone. With an \$86 Billion backlog in transit repairs and replacements, nearly every community is affected.

These deficiencies have a direct impact on transit riders; they undermine the resiliency of our transit systems; and they drain resources that could be better spent on strategic and timely replacement and expansion.

So the GROW AMERICA Act increases State of Good Repair grants by 154% to a total of \$23 Billion over the next 4 years.

Combined with state and local funding, that would be a significant payment towards filling the very serious infrastructure deficit facing us.

It's only by addressing that backlog aggressively that we can establish a solid foundation on which to meet the **SECOND** priority: keeping ahead of growing demand for transit and an expanding population.

I spoke earlier about the 100 Million people our nation may add by 2050.

For transit, the demographic makeup of the United States by that time also makes a difference.

In part, that's because the number of seniors is expected to *double*.

Let's be clear who we're talking about: it's Baby Boomers. You know we're going to want to stay as mobile as possible and independent as long as we can, whether we're living in an urban highrise or a small town.

Today's seniors are already telegraphing the importance of transit as we age.

In April, the AARP released a survey on livability that asked older adults what amenities they most wanted close to home.

The #1 answer: a bus stop.

More important than a grocery store. More important than a pharmacy. That's how important independence and mobility are for seniors.

At the other end of the spectrum are the Millennials, a generation of young adults that will be taking on a greater role in the workforce as Boomers retire.

They're not only driving at lower rates than any generation since the 1950s, but many are also forgoing driver's licenses altogether.

It's no wonder, then, that two-thirds of Millennials in a Transportation for America survey said that high-quality transportation is among the top things they look for when deciding where to live.

75% want to live in a walkable urban area where they don't need a car.

Now, I'm sensitive to the notion that we might be able to attribute the decline in driving rates to an economy that's been struggling, especially when it comes to young adults.

But that connection may not be as solid as it first appears.

If it was, we'd expect to see some correlation between declining driving rates and rising unemployment and poverty.

But in fact, the US Public Interest Research Group found that, among the 100 most populous areas in the country, driving declined the MOST in cities that were LEAST affected by the economic downturn.

More anecdotally, Philadelphia just last weekend restarted overnight subway service, in large part because young adults asked for it. Having chosen to be car-free, they want to take transit after midnight as well.

All of this is to say that our record ridership is far from an anomaly: it's a trend that's likely to continue for the foreseeable future.

Smart communities are investing in transportation infrastructure today to stay ahead of congestion and pave the way - sometimes literally - for future growth.

The danger is that without long-term, predictable funding from the federal government, local leaders will lose the confidence that they can pursue a bigger vision and instead turn to less ambitious projects that fill immediate needs but that do not adequately prepare us for the challenges of growth.

So another way to grade any reauthorization legislation is to judge its commitment to keeping pace with a growing population.

We currently have 50 projects competing for our limited Capital Investment Grant program funds. Thirteen are under construction and 37 are in some earlier stage of development.

There's also at least seven that are standing at the front door hoping to get in.

That's why the GROW AMERICA Act would increase funding for Capital Investment Grants by 29% over the 2014 level.

That would total more than \$10.7 Billion over the next 4 years.

It would also quadruple our investments in buses and bus facilities, giving a dramatic boost to the form of transportation that provides more than half of all transit trips nationwide.

Our **THIRD** priority is that a new transportation law must help build ladders of opportunity.

There are many reasons President Obama has been such an extraordinary supporter of transit:

- It's a critical component of our transportation system, helping move people safely and efficiently to where they need to go;
- It contributes to cleaner air;
- And it helps our nation become more energy independent.

Chief among those reasons, though, may be the fact that transit creates jobs and connects people to opportunity.

I think back to all those individuals who see transportation as their ladder of opportunity: Jada in Birmingham; the people of Glenwood Springs; Leah Osborne's students in El Paso.

For them, as for many others, transportation is more than a ride: it's a lifeline.

Our investments in transportation create ladders of opportunity as well for construction workers and the people employed in the transportation industry - often good, family-supporting jobs.

That's why, in addition to expanding and supporting services that connect people to opportunity, the GROW AMERICA Act also invests in workforce

development so that transit workers have the skills to succeed at their jobs and help keep transit moving.

These, then, are the three questions you can use to judge whether any reauthorization bill working its way through Congress meets muster:

- Does it help close our nation's infrastructure deficit?
- Does it prepare us for growth with investments in new services?
- Does it build ladders of opportunity and create jobs for American workers?

For the GROW AMERICA Act, the answers are all a resounding "Yes!"

Close

When we talk about funding for our nation's transportation systems, this is the context we should keep in mind.

- What is it that we're funding and why?
- What's the portfolio of funding options that are available?
- Are we holding to the key priorities of maintaining infrastructure, expanding services, and building ladders of opportunity?

Earlier I quoted from de Tocqueville's writings on "Democracy in America," and I did so for the same reason most people do: because he offers us timeless truths about the character of this great country from the point of view of an outsider, speaking across the centuries from the 1830s to today.

He had quite a few transportation-related mishaps during his journey, but he ultimately concluded the following – and I quote:

"Of all the countries of the world, America is the one where the movement of thought and human industry is the most continuous and swift."

Even today, with the internet and the proliferation of small, portable devices that put the world at our fingertips, it's still true that our thoughts and our industry move with us on rails and roads, on boats and buses, beneath our cities and over the seas.

In this season of decision, it's up to us to keep that movement "continuous and swift."

Thank you for inviting me to speak with you today.

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Keynote: Central Ohio Transit Authority

8/27/2014

Keynote Remarks

Therese McMillan, Acting Administrator

Federal Transit Administration

Central Ohio Transit Authority

Columbus, OH

As Prepared for Delivery

Thank you, Congresswoman Beatty.

It's a pleasure to be with you today.

Congratulations, COTA, on your 40th anniversary!

Public transportation has long been part of the fabric of daily life in Columbus -- from the early horse cars traveling High Street in the 19th century, to the fuel-efficient hybrid buses that carry passengers across this city today.

But these last four decades truly represent the birth of modern public transportation for the region.

And the last eight years, in particular, have seen strong gains for COTA riders and the community. As Curtis noted, you've made great strides connecting job seekers with job opportunities -- which is not always easy to do when some of your largest employers are out in the suburbs.

But as we all know, it's incredibly important.

Along the way, Columbus and the region have faced many significant challenges, especially as our economy, and the jobs that go with it, continue to shift and change.

But I hope we have all learned by now that when it comes to revitalizing our cities, and creating new opportunities for our children and grandchildren, transit is an important part of the solution.

Columbus voters certainly recognized that in 2006, when they approved a small sales tax hike to expand transit over the coming decade.

That was a smart and forward-looking decision.

Because today, we know that central Ohio leads the state in population growth. And roughly a quarter of Columbus residents are under the age of 18.

Polling data suggests that this next generation wants to spend less time driving, and less money paying for gas. They want more options for getting

around—whether it's for work, getting to school, or simply attending an OSU game.

So I am delighted that COTA has decided to celebrate its 40th birthday by launching a plan to build “the next generation” of public transportation for Columbus and central Ohio.

It will be up to all of you to determine what that next generation should look like. Perhaps the proposed Cleveland Avenue Bus Rapid Transit line will be in the mix, or eventually, a rail line.

These are entirely local decisions, and we look forward to working with you, as your future transportation plans take shape.

Meanwhile, I encourage you to look at cities around the country for inspiration – to see how a well-planned, well-connected transit network can truly help transform a city.

Cities that have roughly the same population as Columbus – such as Charlotte, North Carolina – have made transit a big part of urban life, and are reaping the rewards with millions of dollars in transit-oriented development and better access to ladders of opportunity for hard-working families.

Whatever the future of transit looks like in Columbus, I'm guessing that you will want federal funding to be there when you need it to help make these plans a reality.

So allow me to offer some perspective on the larger challenges we face, in terms of how we build the 21st transportation infrastructure we need here in Columbus—and around the nation.

We are, indeed, at a crossroads.

Last year, the transit industry as a whole had the highest ridership in generations and the seventh straight year delivering more than 10 billion trips.

The U.S. population will increase by one-third between now and 2050, adding 100 million new people.

Our transit systems collectively face an \$86 billion backlog in much-needed repairs and replacements.

And the American Society of Civil Engineers is handing out poor grades to our infrastructure systems – giving our bridges a C+, roads and transit a D, and our levees a

D-.

In light of these trends, we are facing a serious infrastructure deficit in this country, and we must find ways to address it—financially and politically.

Now, as you may know, several weeks ago, Congress passed, and the President signed, a measure that allowed us to narrowly avoid bankrupting the Highway Trust Fund - which also helps to fund our mass transit systems.

That's the good news.

The bad news is that there is still no long-term certainty in our outlook for transportation funding in this country.

And without long-term, predictable funding from the federal government, local leaders - like you -- may lose the confidence needed to pursue a bigger vision. . . and instead turn to less ambitious projects that fill immediate needs, without adequately preparing for the challenges and opportunities of growth.

So we've postponed the immediate crisis, by extending transportation funding 10 more months, until next May.

But that is certainly not a cause for celebration.

In fact, it's the 28th Band-Aid that Congress has plastered on our infrastructure in the last six years.

And the cumulative effect of these short-term measures is crushing our ability to keep up with the pressures on our national transportation system. The truth is, Band-Aids can't fill all the potholes and cracked pavement in your community's roads, and they certainly can't build new bridges, upgrade rail track, or replace aging buses.

And so I'm asking all of you here today, to stand with us and support a long-term transportation solution.

A transportation solution that doesn't leave future generations hanging by taking the easy way out.

A transportation solution that provides state DOTs, transit agencies, planners, and communities the certainty they need to look ahead more than a few months.

A transportation solution that invests today --in roads, in rail, and in transit-- so America will be ready for tomorrow.

The President and Transportation Secretary Foxx have put forward a plan to do just that.

The GROW AMERICA Act is a bold legislative initiative that would provide \$302 billion for transportation over the next 4 years, including \$72 billion for transit.

For FTA, that's a 70 percent increase over current spending – enough to allow us to increase our core formula grant programs to both expand services and invest in state of good repair.

The GROW AMERICA Act would close that looming gap in the Highway Trust Fund – without adding to the deficit.

But really, this isn't just the GROW AMERICA Act. . . .It's the GROW COLUMBUS...GROW CLEVELAND...GROW OHIO Act.

If our plan became law, Cleveland and Columbus together would receive more than \$8.5 million in *additional* formula-based funding for public transportation in Fiscal Year 2015 alone, compared with 2014.

For a bus-intensive city like Columbus, it's good to know that this proposal would also quadruple our investments in buses and bus facilities, giving a dramatic boost to the form of transportation that provides more than half of all transit trips nationwide.

It would also increase funding for our Capital Investment Grant Program—better known as New Starts / Small Starts – by nearly 30 percent over the 2014 level.

That would total more than \$10.7 billion over the next 4 years.

To put that in perspective: 50 projects are competing for these limited discretionary funds for capital projects. Thirteen such projects are under construction. And nearly another 40 are in an early stage of development.

An additional seven projects are standing at the front door hoping to get in.

The demand is tremendous—and we need the resources to get more good projects under way.

This is the level of funding we need so that COTA – and transit agencies around the country – can compete for the resources *they* need to build and grow transit in their communities.

Our capital grant programs are consistently oversubscribed – meaning we receive hundreds of applications seeking billions of dollars more than we can possibly fund in any given year.

The President's proposal also aims to create jobs and new ladders of opportunity—which is what cities like Columbus need more than anything else.

It does that in two ways:

First, because transportation projects consistently create jobs by putting people to work building them.

And second, by investing 10 times as much funding in transportation workforce development programs over each of the next four years, than in

2014 alone. This signature initiative would help to train a new generation of workers for careers in transportation—and all the new technology that goes with it.

That's a boon to workers, the industry that relies on them, and the riders they serve.

There are many other provisions in the GROW AMERICA Act that we could talk about, and you can find out more on our website.

In the meanwhile, we're not waiting for Congress to act.

In June, as many of you know, we announced the availability of approximately \$100 million in competitive grant funds through our new Ladders of Opportunity Initiative.

These funds will help to modernize and expand transit bus service specifically for the purpose of connecting disadvantaged and low-income individuals, veterans, seniors, youths, and others with local workforce training, employment centers, health care, and other vital services.

There's no doubt that thousands of transit riders in central Ohio stand to benefit directly from a program like this.

And we simply must do more of the same - to meet the growing demand for service that's all around us.

I'd like to close with this thought:

Many of you in this room have worked long and hard to bring good transit choices to Columbus - and you're fighting now for a future where transit is even more woven into the fabric of this city and the Central Ohio region.

You'll need good partners to achieve your goals—partners in your communities, who value transit's contribution to their quality of life.

Partners at the state level, to help you get a seat at the table.

Partners in the private sector, who see the investment opportunities that transit offers.

And partners at the federal level, like FTA.

Together, we can make a difference in Central Ohio's future.

So please speak out and let all your elected representatives know that you want to keep Ohio moving forward.

You want access to adequate resources so that you truly can plan and build the next generation of transportation for Central Ohio.

As Secretary Foxx said recently, "If we're only building for the present, we're building for the past."

Thank you.

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WTS International Transportation Policy Symposium, Washington, DC

10/1/2014

**Therese McMillan, Acting Administrator
Federal Transit Administration**

Remarks as Prepared for Delivery

Thank you. It's great to be with you again.

As I travel around the country, I often get the chance to meet with WTS members one-on-one or in small groups and it's always a pleasure to find out what's happening on-the-ground first-hand from the extraordinary women who are making it happen.

It's a pleasure as well to be here today with so many former Secretaries of Transportation who've generously shared with us their time, their experience, and their insight.

Today's topic is both timely and urgent. And whenever you get two or more transportation people in the same room together, it is unavoidable.

I'm often asked: what's happening with reauthorization? What's happening with the Highway Trust Fund? What is Congress going to do and when are they going to do it?

Spoiler alert: *nobody knows*.

That uncertainty can have the same stifling effect on transportation planning as it has on Wall Street.

But it also means that the future is not yet set in stone.

It means that *YOU* will have a hand in shaping it, and today I want to give you the tools do that.

Portal Bridge

I want to start with a story about a bridge.

Between the towns of Kearny [CARNEY] and Secaucus ... in northeast New Jersey ... spanning the Hackensack River ... is a swing bridge that happens to carry more passenger trains than any other bridge in the entire Western hemisphere.

And it's over 100 years old.

If you've heard of the Portal Bridge before, it was probably because something had gone wrong.

That happens far too frequently, delaying trains up and down the Northeast Corridor for hours.

With a clearance of only 23-feet from the water, the bridge has to open every time a fishing boat or a sludge barge needs to pass by.

Sometimes the bridge doesn't close properly. Sometimes it doesn't close at all. Sometimes it catches on fire.

Did I mention? It's partly wood.

This would all be quaint if the bridge wasn't only one of the 100,000 bridges in the U.S. that are old enough for Medicare ... and if it wasn't – to repeat – the busiest passenger rail bridge in the Western hemisphere.

Our friends at New Jersey Transit and Amtrak are working on a plan to replace the bridge that's estimated to cost \$900 Million – although the details on how it will get funded haven't been worked out yet.

I tell you this story because it brings into sharp focus the single question that will most shape the future of transportation in this country.

Now, many people will tell you that the central question is: "How can we afford to make these kinds of investments in transportation?"

But the real question is: **"How can we afford not to?"**

No one seriously doubts that our infrastructure is in a woeful state of disrepair.

Last fall, the American Society of Civil Engineers issued a report card that gave our bridges a C+, our roads and transit a D, and our levees a D-.

In *transit* systems nationally, we have an \$86 Billion backlog in repairs and replacements that grows by over \$2 Billion a year.

So as you go out and speak with your elected leaders, no one's going to say: "I don't see how this is a problem."

What they're going to say is: "How can we possibly afford to do fix this?"

You will be able to ask, in turn: **"How can we afford not to?"** ... and you'll have these 4 points to back it up.

Global Competitiveness

First: how can we afford not to, when our global competitiveness is at stake?

America's prosperity was built, in large part, on abundant resources and the ability to move goods to market.

Today our ideas and our labor are just as important, and transportation remains the backbone of our economy.

Even internet-based businesses like Amazon rely on a highway system that was conceived when computers wouldn't fit into your house, much less your pocket.

But that infrastructure won't last forever, and compared to the rest of the world, we're falling behind.

The U.S. has the largest economy in the world, but right now we rank 28th in infrastructure investment.

European nations, on average, invest 5-percent of GDP in infrastructure; the United States, only half as much.

And as each of you well know, the federal portion has been anything but predictable.

Over the last six years, transportation has been funded through 28 separate short-term measures, including the one that was just passed this summer.

Cities, states, and investors all need more certainty than that if they're going to break ground on major projects.

That's why the Obama Administration proposed the GROW AMERICA Act, a four-year surface transportation plan that would invest \$302 Billion to increase funding for all modes of transportation.

We must get our infrastructure back into shape – strong and resilient enough to compete in the global arena. That's the kind of commitment it will take.

But we're also going to need to put more private funding on the table.

To help do that, the President has started the Build America Investment Initiative to foster partnerships between the public and private sectors.

It's a government-wide effort that will encourage more innovative financing strategies and make resources like DOT's credit and loan programs more understandable and accessible.

And across DOT, we're working to cut red tape and get projects started quicker.

The permitting process for New York's Tappan Zee Bridge was expected to take up to 5 years. By having the different government agencies do their reviews at the same time, rather than one after another, we were able to get that down to a year-and-a-half.

When you're already behind, every day – and every dollar – matters.

We need not only to catch up, but the get ahead of our own growth.

By 2050, the U.S. is expected to add nearly 100 Million people. That means our population will increase by almost 1/3 in less than 40 years.

For the transit industry, we're thinking about how we're going to be able to move those people from their homes to their jobs and back again safely and efficiently.

For our transportation system as a whole, though, it also means we're going to have to move more freight – 14 Billion tons more, almost *twice* what we move now.

As Vice President Biden has pointed out, the productivity of our businesses has a direct relationship to how quickly, cheaply, and often they can get goods to market.

Seaports, rail, airports, and highways are all going to need significant investments to keep freight moving into and out of and around the country.

We will not stay globally competitive unless we maintain and expand that infrastructure.

Economic Development

So that's the first point. The **second** is that we cannot afford to lose out on the economic development that's driven by and focused around transportation investments here at home.

From the perspective of public transportation, we see communities big and small relying on transit investments to not only make travel more efficient and preserve quality of life, but also to spur economic growth.

I like to use the example of Dallas because it often surprises people to learn that a city with such a long-standing love affair with cars – and trucks – now has the most miles of light rail in America.

That's generated more than \$7 Billion in economic activity and tens of thousands of jobs in the last 10 years alone.

Atlanta teaches us another lesson: that it also matters where that kind of investment takes place.

Along the route of its new modern streetcar, there's more than \$745 Million in investment that's completed, underway, or in planning.

Atlanta's downtown is home to Fortune 500 companies and major tourist attractions, but also to struggling families and neglected neighborhoods.

By ensuring a minimum amount of affordable housing, the city's making sure that they'll benefit from that development, too.

The same promise could hold true for people in Los Angeles and Boston and Detroit and El Paso that are seeing significant new transit projects in their neighborhoods.

Bottomline: if we don't invest in transportation, our economy may come to a stand-still along with the traffic, and that we cannot afford.

The Cost of Delay

We also cannot afford to forgo those investments because to do so is the very definition of “penny-wise and pound-foolish” – and this is the **third** point I want to make.

Consider all those bridges I mentioned earlier, the ones that are old enough for Medicare and no closer to retirement.

We *will* be paying to replace them some day. The question is whether we do it now in a planned way or later in an emergency.

In the meantime, aging transportation infrastructure costs us precious time and the expense of constant repairs.

The Portal Bridge in New Jersey? There’s a maintenance team stationed there 24-7 in case anything goes wrong – which it often does.

In New York, the subway system is even older than the Portal Bridge.

Fortunately it’s been constantly upgraded over the years, but there’s still essential equipment in service today that no one has manufactured in a very long time.

When Hurricane Sandy damaged some of that equipment, New York had to turn to Chicago’s equally-aged system to borrow replacement parts.

Where does Chicago get the parts? They cannibalize existing equipment or they make their own in the machine shop.

As for our highway system, we pay for its disrepair and congestion every day with our time, our health, and the upkeep on our vehicles.

We’re also paying whenever we buy something at a store.

One of the ways retailers and manufacturers have worked to keep costs low is through “just in time” delivery. Having inventory sitting around in warehouses costs money.

Now, major manufacturers like Whirlpool and Caterpillar are having to compensate for the condition of our roads.

They can’t count on “just in time” being “just in time” anymore.

Congestion alone costs shippers \$27 Billion a year according to a Texas A&M Transportation Institute study, and those costs get passed along to you and me.

We’re paying for the state of our transportation in innumerable, hidden ways when we could be making wise, strategic investments that benefit us today and tomorrow.

Ladders of Opportunity

Our global competitiveness, continued economic development, and the high cost of delay: these are all good, dollars-and-cents reasons why we cannot afford to forgo these critical investments in our nation's transportation infrastructure.

And there's a **fourth** reason: because transportation provides a ladder of opportunity on every block, in every neighborhood, in every city and town in America.

Within public transit, we're especially proud of our potential to connect people with jobs, education, healthcare, and everything else their communities have to offer.

According to a 2011 report from the Brookings Institution, the typical person living in one of the country's major metropolitan areas can reach 30% of the jobs in his or her area within 90 minutes using transit.

There's two ways to look at that:

- ONE: We're able to help people reach 30% of the jobs in their area.
Or...
- TWO: 70% of the jobs are only accessible if you want to commute more than 3 hours a day - if they're accessible by transit at all.

Yesterday, Secretary Foxx was in downtown Los Angeles to help break ground on the Regional Connector, a light rail project that will add new stations to the Metro system and speed commutes.

Two-thirds of the people living in the surrounding neighborhoods don't have access to a car.

That means if you're a young person living there, you can go to school, work hard, and still find a lot of opportunities are simply out of reach.

America can do better than that.

When we build and expand high-quality public transportation, we're widening the circle in which people can find and get to new jobs - ones that help them do better for themselves and their families.

Last week we announced the recipients of \$100 Million in competitive grants that are designed to improve bus services and bus facilities in communities where residents depend heavily on public transportation.

The program is named - not coincidentally - the Ladders of Opportunity Initiative, because it will help connect more people to jobs, education, and healthcare.

We were proud to be able to help fund 25 projects in 19 states, but this was also one of the most over-subscribed discretionary grant programs in our agency's history.

In fact, we received proposals for projects totaling 14-times the amount of funding we had available.

That should tell you that there's a real pent-up demand for this kind of assistance.

When we're talking about ladders of opportunity, it's also important to remember that the transportation industry itself can be a ladder of opportunity - as many of you know first-hand.

The transportation sector employs more than 4.6 Million people in the U.S., not to mention the construction jobs that follow.

Many of these jobs change as technology improves, and that means we must not only invest in infrastructure, but also in our people.

For instance, in the transit industry, new hybrid and all-electric buses require new skills for those who operate and maintain them.

That's one example of why the GROW AMERICA Act would increase funding for transit workforce development 10-fold to \$20 Million a year.

Workforce development initiatives like the WIN program in Denver and a similar effort that's getting underway in Boston help bring skills and opportunity to local residents who deserve to take part in landmark transit projects.

In that way, long-term investments in transportation create real jobs and build ladders of opportunity in communities big and small.

Closing

Of course, developing a strong transportation workforce is what WTS is all about. You, too, are in the "ladders of opportunity" business.

I hope that, in your role as forceful advocates for transportation, you find these four arguments both persuasive and useful tools.

There's no doubt that we need to invest in transportation; the only doubt is whether we have the will to do so.

There's time yet for you to provide that will.

Our country can't afford for you not to.

Thank you.

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