

COMMENTS OF
ELIZABETH STUTTS
PRESIDENT
THE ASSOCIATION FOR COMMUTER TRANSPORTATION

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INTRODUCTION

The members of ACT represent a broad coalition of organizations – from major private-sector businesses and institutions to transportation agencies – but we all have one thing in common... We are all working cooperatively to make transportation work better by making it more efficient and less costly.

ACT members are working together in public-private partnerships to make transportation work better for business. Major employers recognize that transportation issues impact the bottom-line. Workers are facing commutes that get longer each day – under more stressful and less predictable travel conditions. This situation has a direct impact on employee recruitment, retention, and productivity – increasing labor-related costs and affecting competitiveness.

Our testimony today will focus on creative approaches to making our transportation system work better by investing in a more comprehensive approach – not just to the way we build our transportation systems, but to the way we use our transportation systems.

In communities around the country, ACT members are working closely with the people who *use* transportation on a daily basis. We have a customer-driven approach. After all, transportation is really about the people who use it – and the individual decisions they make everyday about where they need to go, when they need to leave, and how they're going to get there. Unfortunately, all too often, everyone tries to go the same place, at the same time, using the same route and the same mode of travel. The result is congestion and inefficiency, which greatly impacts our business productivity and our quality of life. Our members include public-sector entities working in partnership with businesses and residents to make transportation more efficient; private-sector employers, working with their employees to improve the commute; and schools working with their students to improve connections to the campus and the classroom.

The reauthorization of TEA-21 presents a clear opportunity to support America's businesses, workers, and citizens by supporting transportation programs and partnerships that can make a difference. In our testimony today, we are asking the Committee to:

- Build upon the foundations of flexibility and partnership established under ISTEA and TEA-21,
- Recognize the important balance between the way we build transportation and the way we use transportation,
- Increase support for partnerships that engage the private sector, and
- Enhance travel choices and provide incentives for smart choices.

ISTEA & TEA-21: BUILDING THE FOUNDATION

The enactment of the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991, and its successor, TEA-21, in 1998, signaled a new era in the development of our nation's transportation system. By the early 1990s, the construction of the original interstate highway network was complete, and a growing number of business and community leaders were looking to broaden their approach to meeting the transportation needs of their workers and citizens. ISTEA and TEA-21 responded. By giving communities new flexibility to use federal funds to invest in a variety of travel modes – from highways, to rail lines, to bike paths – ISTEA and TEA-21 recognized the benefits of allowing communities to invest in transportation that gives people more choices in how they get around. These bills recognized the significant power of transportation investments – not simply as an end in themselves – but as an effective tool to achieve a wide range of community goals.

Throughout the 1990s, transportation agencies, metropolitan planning organizations, and local jurisdictions responded to increasingly diverse travel needs by investing in multi-modal transportation improvements. The results of this shift were significant. Annual federal investments in public transportation systems doubled from just over \$3 billion in 1990 to nearly \$6 billion in 1999, and federal funding for bicycle and pedestrian projects grew from only \$7 million in 1990 to \$220 million in 1999.

In addition to enhancing funding flexibility, ISTEA and TEA-21 stressed the importance of partnerships between federal, state and local agencies – empowering metropolitan planning organizations (MPOs) to facilitate intergovernmental partnerships in the transportation decision-making process. This focus on partnerships allowed federal transportation investment decisions to better respond to the unique transportation goals of states and communities – and led to an overall increase in state and local funding for projects that provide citizens with enhanced travel choices. For example, between 1990 and 1999, local and state funding for public transportation grew by 34 percent.

As we move toward the reauthorization of TEA-21, we must build on these foundations of flexibility and partnership. We must continue to strengthen our national transportation infrastructure, including road and bridge networks, bus and rail transportation lines, ferry services, and bicycle and pedestrian trails. We must continue to prioritize investments in preserving the quality of existing roads and bridges and improvements in transportation safety. And we must continue to support the expansion of rail and bus transit services to meet the ever-growing demand for these services.

TEA-21 REAUTHORIZATION: MAKING IT ALL WORK

While ISTEA and TEA-21 were remarkable steps forward, many challenges remain. Across the country, traffic congestion is a serious and pervasive problem for both businesses and communities. In 1999, congestion cost the United States over \$78 billion dollars in wasted time and wasted fuel. People are spending more and more time stuck in traffic and less time with families. More frustrating and less predictable commute times are impeding the ability of employers to recruit and retain valued employees, and congestion is impeding the efficient movement of goods. Air quality continues to endanger public health and degrade community livability. Finally, as the tragic events of September 11th revealed, the functionality of transportation systems affect a wide range of security and emergency preparedness issues, from the movement of response vehicles to the evacuation and protection of citizens.

To tackle these critical challenges, the reauthorization of TEA-21 must build on the foundations of flexibility and partnership first established by ISTEA. Reauthorization must take the next step

forward by integrating programs and partnerships that can make the transportation system *work better* – by not simply focusing on the way we build transportation, but on the way we use transportation. This is a critical distinction, as it recognizes that how well the transportation system works depends on the balance between the availability of transportation infrastructure – from roads to bridges to transit lines – and the way that people use this available infrastructure.

Focusing on the way that people use transportation means focusing on where they need to go, when they need to leave, and what choices they have in how to get there. It means providing people more transportation choices and real-time travel information about these choices. It means recognizing that people make travel decisions based on a variety of factors like time, cost, convenience, safety and reliability – and developing incentives to encourage smart travel choices. And it means forging partnerships between the people that depend on transportation every day – partnerships between transportation organizations and private employers, between employers and their employees, between educational institutions and their students, and between developers and their tenants.

To address the significant transportation challenges facing our businesses and communities, the reauthorization of TEA-21 must recognize the importance of this balance between the way we build transportation and the way we use transportation. The following sections highlight the need to integrate programs and partnerships designed to achieve this balance.

Partnerships with Employers

Reauthorization represents a key opportunity to enhance the spirit of partnerships developed in ISTEA and TEA-21 by supporting win-win public-private partnerships between employers and transportation organizations. Through commuter benefits like monthly transit passes, on-site commute information, and flexible work schedules, employers play a significant role in the travel decisions of their employees. A 2001 national survey called the Zyllo Report found that, on average, employers that provide commuter benefits have 15% fewer employees driving to work alone (86% vs. 71%). Employers offer commute programs because they make good business sense. Employer commute programs allow businesses to address employee recruitment and retention problems, increase employee productivity, and lower facility construction and maintenance costs related to employee parking. For example, a commute assistance program saved a company in San Antonio, Texas, over \$2.5 million by eliminating the need to build and maintain 1,000 extra parking spaces.

Employer partnerships are an important source of additional funding for transportation – as businesses invest in employee transit passes, invest in the development and operation of shuttle programs, and invest in other commute resources for their employees. As a powerful example, in 2000-2001, every \$1 that the public sector invested in supporting employer commute programs in the State of Washington resulted in \$12 of additional investment from employers.

Employers and the organizations that support employer partnerships are also a critical resource in emergency preparedness planning and response. On September 11th, ACT members worked with employers and employees to get people home safely – providing critical information on the availability of transportation alternatives. In the weeks following September 11th, our members worked in partnerships to keep businesses productive by supporting commute alternatives like telecommuting and ridesharing.

The reauthorization of TEA-21 should strengthen support for organizations that facilitate employer partnerships. These organizations integrate one of the sectors most impacted by transportation challenges – America's businesses – into the fold as partners in developing effective solutions. For example, innovative programs spurred by the Congestion Mitigation and Air Quality Improvement

Program (CMAQ) – including public-private organizations called Transportation Management Associations, or TMAs – are responsible for many employer-partnership success stories. To further promote these programs, the next transportation bill should maintain support for the CMAQ program with an enhanced emphasis on partnerships and innovation. Reauthorization should further recognize the value of employer partnerships by supporting a tax credit for businesses that offer commuter benefits to their employees. A commute benefit tax credit would provide a powerful tool to leverage additional private-sector investments in transportation solutions that work.

Choices, Incentives and Information

On a daily basis, people make a variety of transportation decisions. These decisions begin with the travel choices available to them – where to go, when to leave, what mode to use, what route to take – but they also include a variety of other influencing factors, like travel time, trip cost, convenience, safety, and reliability.

The reauthorization of TEA-21 should support the continued enhancement of travel choices. A strong and balanced transportation system provides travelers with a variety of choices – rather than limiting choices – allowing each traveler to choose the best travel alternatives to meet their needs. The next transportation bill should continue to support a multi-modal approach to building transportation by continuing to encourage flexibility in the use of federal funds and by maintaining the Transportation Enhancements program.

In addition, the bill should also support smart travel choices that make more efficient use of existing facilities – including smart *mode* choices like transit, ridesharing, bicycling, and walking; smart *time* choices like traveling during off-peak hours, smart *route* choices based on real-time traveler information; and smart *location* choices like living near your place of employment, living near public transit services, or utilizing travel-free alternatives like telecommuting and e-commerce. Supporting smart travel choices can reduce the overall “demand” for transportation – improve the efficiency, operation, and performance of the existing system – and produce broad-based benefits.

We must also work to make smart travel choices truly viable. We must create an environment where the other key decision criteria – like travel time and travel cost – are equitable between travel choices. As an example, commuters can currently receive up to \$185/month in tax-free benefits from their employer to park their cars at work all day, yet they can only receive a maximum of \$100/month for the same trip via transit or vanpool. This inequity does not encourage smart travel choices and should be addressed during reauthorization. In addition, other travel choices like carpooling, bicycling, walking, and telecommuting should be made eligible for this transportation benefit, creating equity between all travel choices.

Finally, people cannot make smart travel choices without increased awareness and real-time information on the alternatives available, how to use them, and even when to use them. The development of Intelligent Transportation Systems (ITS) should continue, especially development of real-time traveler information services. At the same time, the development of ITS infrastructure must be supported by programs and services that can get real-time transportation information into the hands of the people that need it, when they need it, and where they need it – so that they have ample opportunity to make the smart travel choices that can make a difference.

Integration with Operations and Major Investment Planning

The programs and services developed and implemented by ACT members to forge partnerships with major employers and enhance travel choices are a critical tool in the effort to make transportation more efficient and less costly. As a compliment to major capital improvements, these customer-

driven programs and services (often called transportation demand management, or TDM) can provide near-term benefits which improve transportation operations and make the most of existing resources by improving the way we use transportation. The reauthorization of TEA-21 should recognize the role of TDM organizations by supporting improved coordination between these and other organizations that manage and improve the daily operation of the transportation system.

Finally, the reauthorization of TEA-21 must strengthen the integration of TDM programs and services in major investment and corridor planning efforts. Too often, TDM programs are compared to other major investment alternatives in a “no-build” versus “build” analysis, setting up an illogical either-or evaluation. Instead, reauthorization should require the integration of TDM programs and strategies as a *complement* to major capital investments. TDM programs have proved effective as construction mitigation measures, and offer near-term implementation advantages to address transportation challenges before the construction of the major investment is complete.

CONCLUSION

Again, the reauthorization of TEA-21 presents a clear opportunity to support America’s businesses, workers, and citizens by supporting programs and partnerships that make transportation more efficient and less costly. Reauthorization should:

- Build upon the foundations of flexibility and partnership established under ISTEA and TEA-21,
- Recognize the important balance between the way we build transportation and the way we use transportation,
- Increase support for partnerships that engage the private sector, and
- Enhance travel choices and provide incentives for smart choices.

We offer the Association for Commuter Transportation as a resource on these important issues. If you have any questions, or would like to discuss these matters further, please contact Kevin Luten, ACT Assistant Director, by phone: (202) 546-5478, or by email: kevin@act-hq.com. You may also contact ACT’s Washington, DC, representative Thomas J. Bulger, Government Relations, Inc., by phone: (202) 775-0079, or by email: tbulger825@aol.com.