

**ORAL STATEMENT OF
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BEFORE THE COMMITTEE ON TRANSPORTATION AND
INFRASTRUCTURE
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT
U.S. HOUSE OF REPRESENTATIVES
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Mr. Chairman, Ranking Member DeFazio, and
Members of the Committee:

Thank you for inviting me today to highlight the
Federal Transit Administration's progress toward
implementing key provisions of MAP-21, which
makes many bold policy changes the
Administration has fought for.

Despite facing an array of funding challenges, I am
pleased by the progress we are making to
implement MAP-21.

ERP

We have moved aggressively to activate our new Emergency Relief Program. Hurricane Sandy was the worst public transit disaster in the history of the United States, affecting more than 40 percent of the nation's transit ridership at the height of the storm.

The Disaster Relief Appropriations Act originally granted \$10.9 billion to FTA to reimburse transit agencies for response and immediate recovery, and to mitigate the impact of future disasters.

To date, we have allocated more than \$390 million thus far to reimburse the hardest hit agencies in New York, New Jersey, and elsewhere. Also, next week, we intend to award more than \$150 million in funds.

By the end of this month, we will announce the distribution of the first \$2 billion made available under the program.

SAFETY

At the Obama Administration's urging, Congress granted FTA historic new authority to provide long overdue federal safety oversight, and we welcome the responsibility.

Our goal is to implement a Safety Management System approach that improves safety using common-sense standards that will add value without adding a great deal of cost or burdensome regulations.

We recognize that a one-size-fits-all approach to safety is not the best approach for the unique needs of individual transit providers.

FTA will set a national framework and then work with each agency to develop a safety system that targets their greatest safety vulnerabilities.

Meanwhile, we have begun to work closely with all the affected governors, our transit rail safety advisory committee, and other stakeholders to embark on a rulemaking and widespread education process.

STATE OF GOOD REPAIR

Keeping our transit systems safe goes hand-in-hand with bringing our aging systems into a state of good repair.

Following on the Administration's budget proposal, MAP-21 established a vital needs-based formula program for rail, ferries, and busways and initiates a National Transit Asset Management Program that will cover all transit systems.

This program will help the industry tackle deferred rehabilitation, replace outdated transit assets, and support ongoing maintenance efforts that are key to maintaining a transit network that continues to provide reliable and desirable service for the American public.

FUNDING CHALLENGES

I appreciate the Committee's support for the **policy** goals in MAP-21. However, I want to remind the Committee that FTA faces budget challenges that hamper our ability to address those goals.

Overall, the sequester struck \$656 million from FTA's budget. It reduced program funding for our Capital Investment Grants program by almost \$100 million. This will mean that few, if any, additional New Starts construction projects will be fundable in the near term.

Even more troubling is the fact that ongoing major new starts and small starts projects will experience increased borrowing costs as FTA will now be required by sequestration to slow its scheduled grant payments to projects for which we have **already** made written financing agreements.

Even without the sequester, under MAP-21, our New Starts/Small Starts capital investment program was authorized to receive 10 percent less in funding, when compared with amounts available to carry out our projects in recent fiscal years.

These are just some of the significant challenges that directly affect our programs and the record number of transit riders we are serving. FTA will still do all we can to continue making progress to live up to the promise of MAP-21 with the resources available to us.

Thank you, and I'd be happy to answer any questions.