

# MAP-21 Policy Themes and Perspectives



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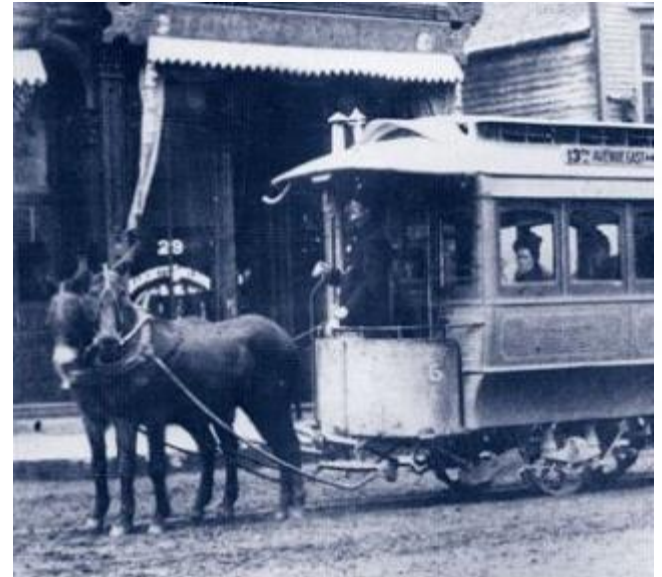
# MAP-21

- Enactment: A retrospective
- Sustainability of the Federal Transportation Trust Fund
- Federal / State / Local Revenue Ideas
- Issues & Next Steps



# Who Are We?

- Principal public transportation trade organization, with more than 1,500 transit, business, and other members in the United States, Canada, and worldwide.
- Non-profit: 501(c)6.
- Began in 1882—the era of horse-drawn street railway cars.
- 90% of transit riders travel on APTA member systems.





# Public Transportation in the U.S.

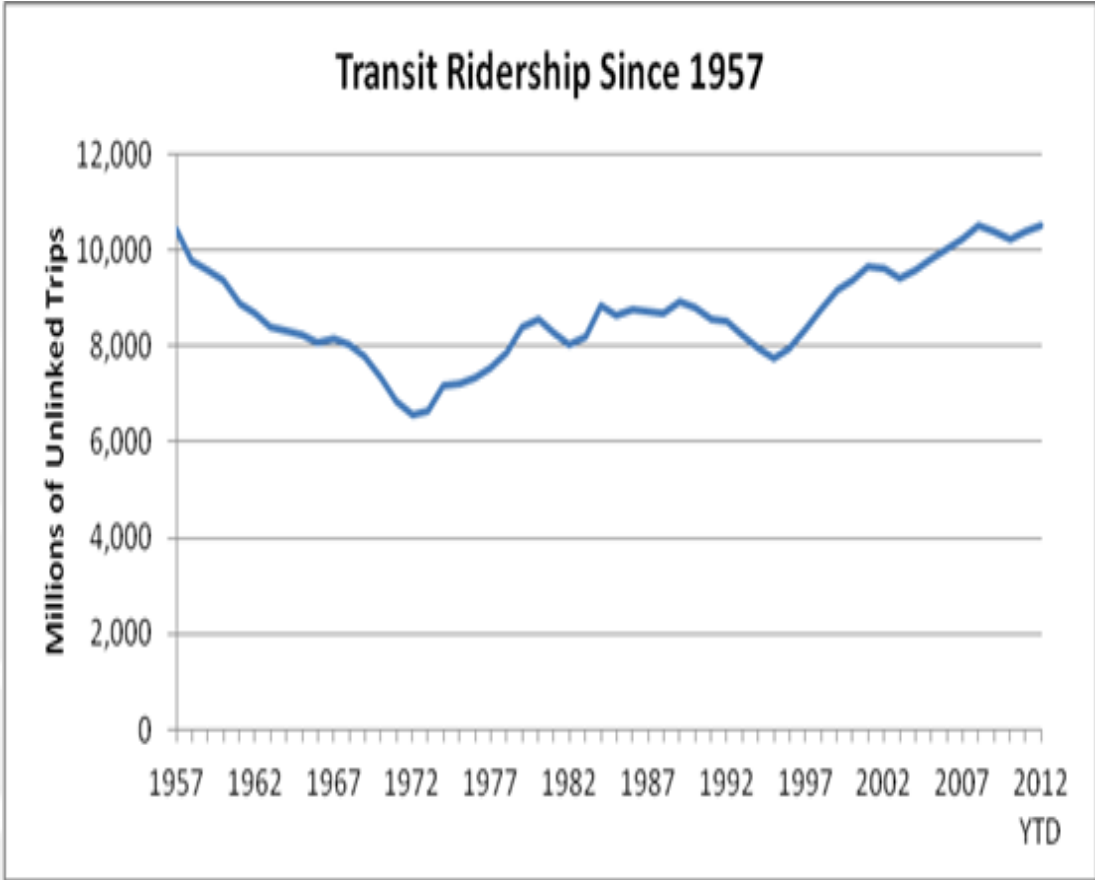
- 36 million boardings every weekday.
- 10.5 billion annual boardings in 2012.
- Approximately 7,700 transit providers in U.S.,
- 52% of trips on bus; 44% taken on Rail.
- 46% of U.S. households have no access.
- \$58 billion / yr. industry; directly employs 400,000 and supports 1.9 million jobs.



# Forward-Looking Trends Support Growth:

- Population Growth
- Urbanization
- Social & Demographic
- Economic
- Energy / Environment
- Affordability & Household
- Public Choice

# Public Transportation Ridership Since the Dawn of the Interstate Highway Era





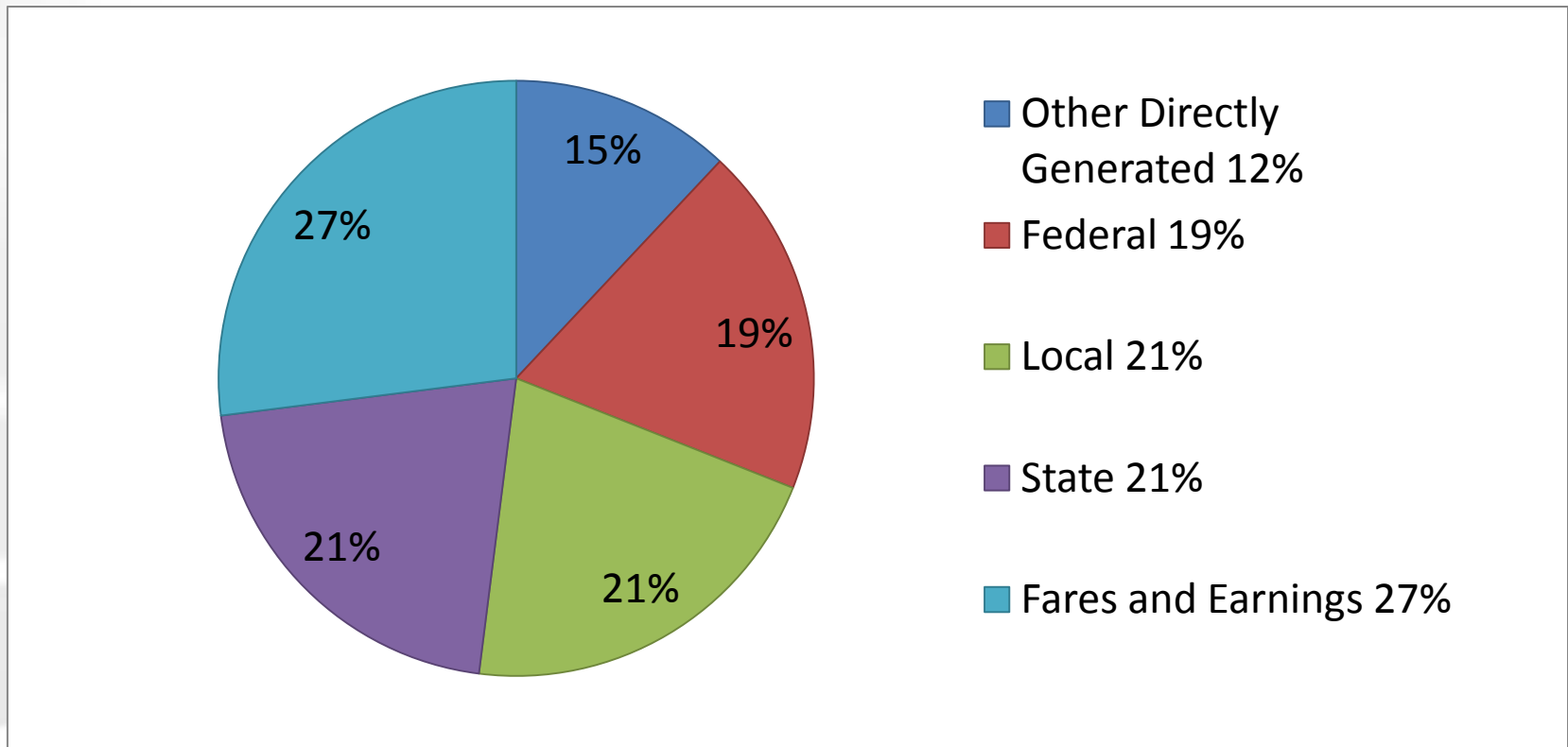
# Funding Totals

## Federal Program for Public Transportation

-FY 2010	SAFETEA-LU	\$10.5 billion
-FY 2011	SAFETEA-LU	\$10.1 billion
-FY 2012	SAFETEA-LU	\$10.4 billion
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-FY 2013	MAP-21	\$10.6 billion
-FY 2014	MAP-21	\$10.7 billion



# 2011 Industry Revenue Sources

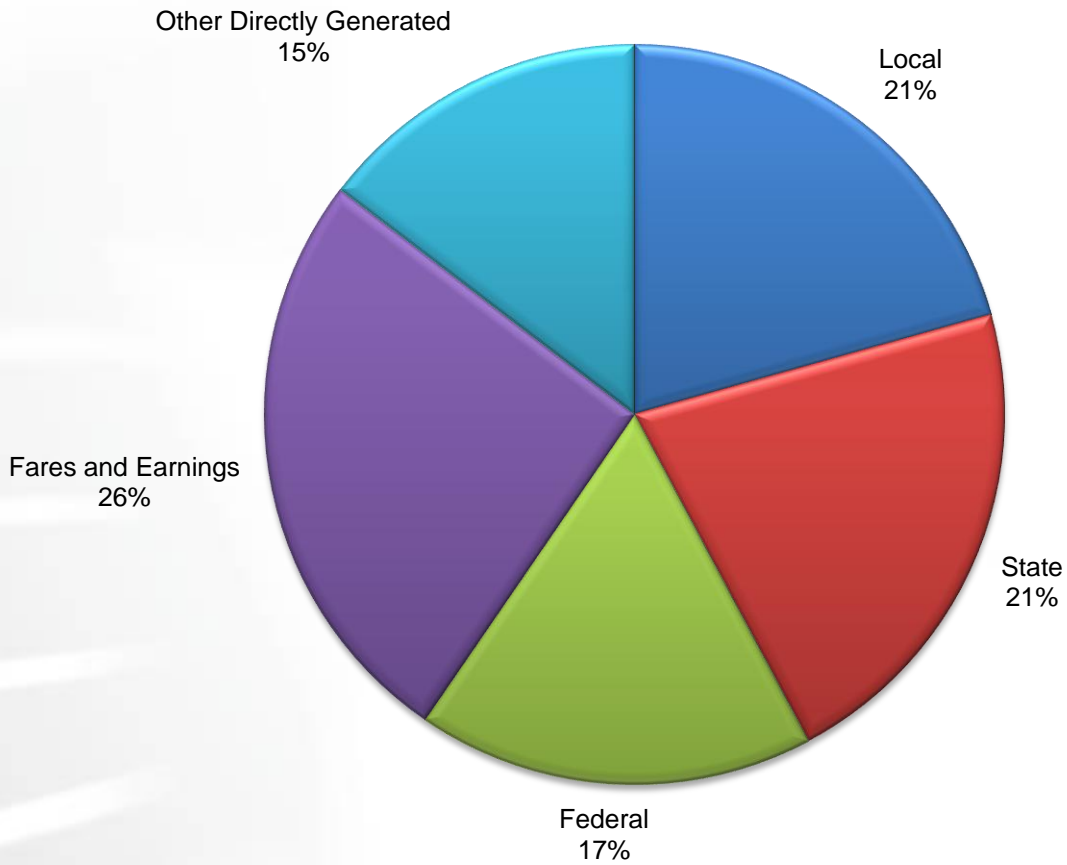


**\$58 Billion Total**



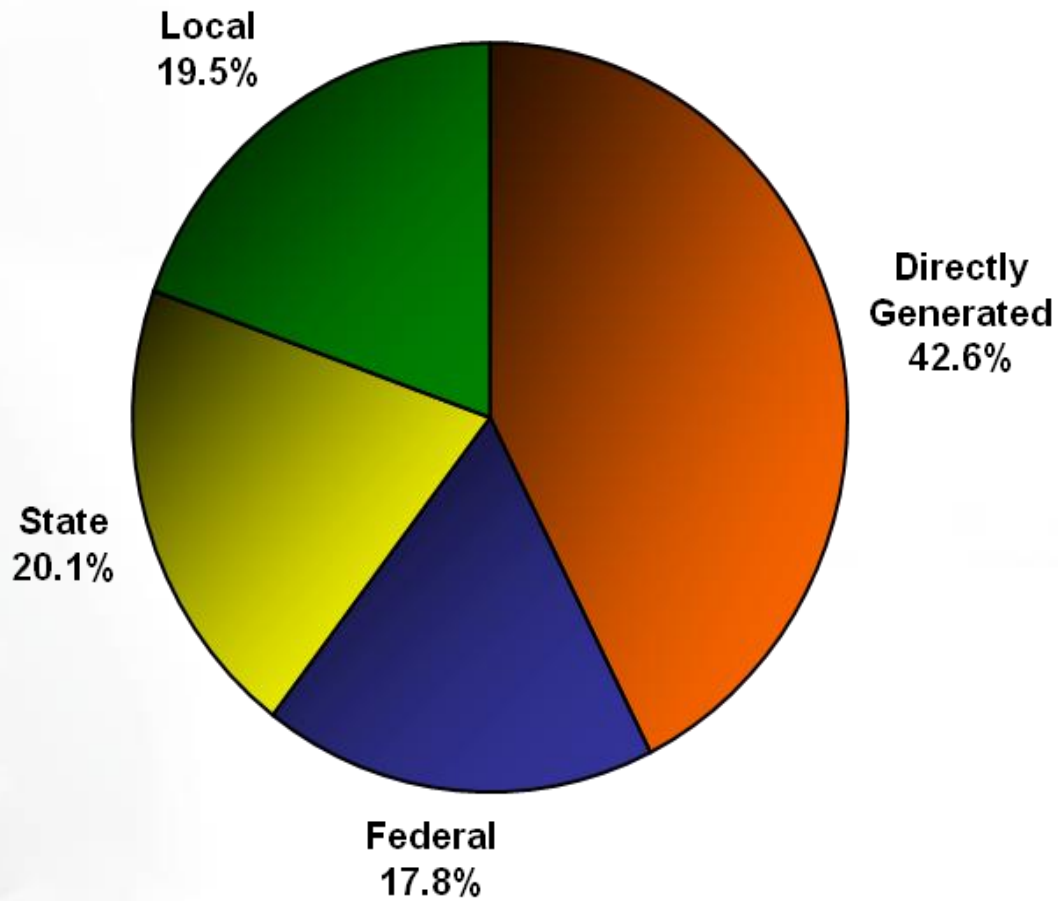


# 2010 Industry Revenue Sources \$57 B





# 2006 Industry Revenue Sources \$47B





# Congress Was Not Agreeing on Anything in 2012...

## Until...

- Wednesday, June 27: Release of House-Senate Conference Report
  
- Friday, June 29: Approved by House 373-52; Approved by Senate 74-19
  
- Friday, July 6: Signed into law



## MAP-21 Has Shortcomings...

- Investment Levels
- Short Time Frame
- Patched-Up Trust Fund (not sustainable)
- Significant changes to programs in context of a flat-funded bill
- Some notable differences with APTA policy
- No hearings and limited vetting



## ...Yet MAP-21 Provides Critical Stability

- But for MAP-21, 14.1 cents of the 18.4 cent federal gas tax would have expired on September 30 (the remaining 4.3 cents is permanent)
- But for MAP-21, the Transportation Trust Fund would have become insolvent in early 2013
- Provides stable (if not growing) funding in the context of tight federal budgets
- MAP-21 is a recommitment to a multi-modal program
- Backdrop of stability while we go back to work on the next bill
- New policy themes offer a new beginning...



# New Policy Directions

- Predictable Formula Funds
- Connected to Performance Outcomes
- State of Good Repair
- Asset Management
- Expedited Program Delivery



# Additional Policy Themes

- Core Capacity
- Safety
- New Finance Tools
- BRT
- Program Consolidation
- 100 Bus Coalition



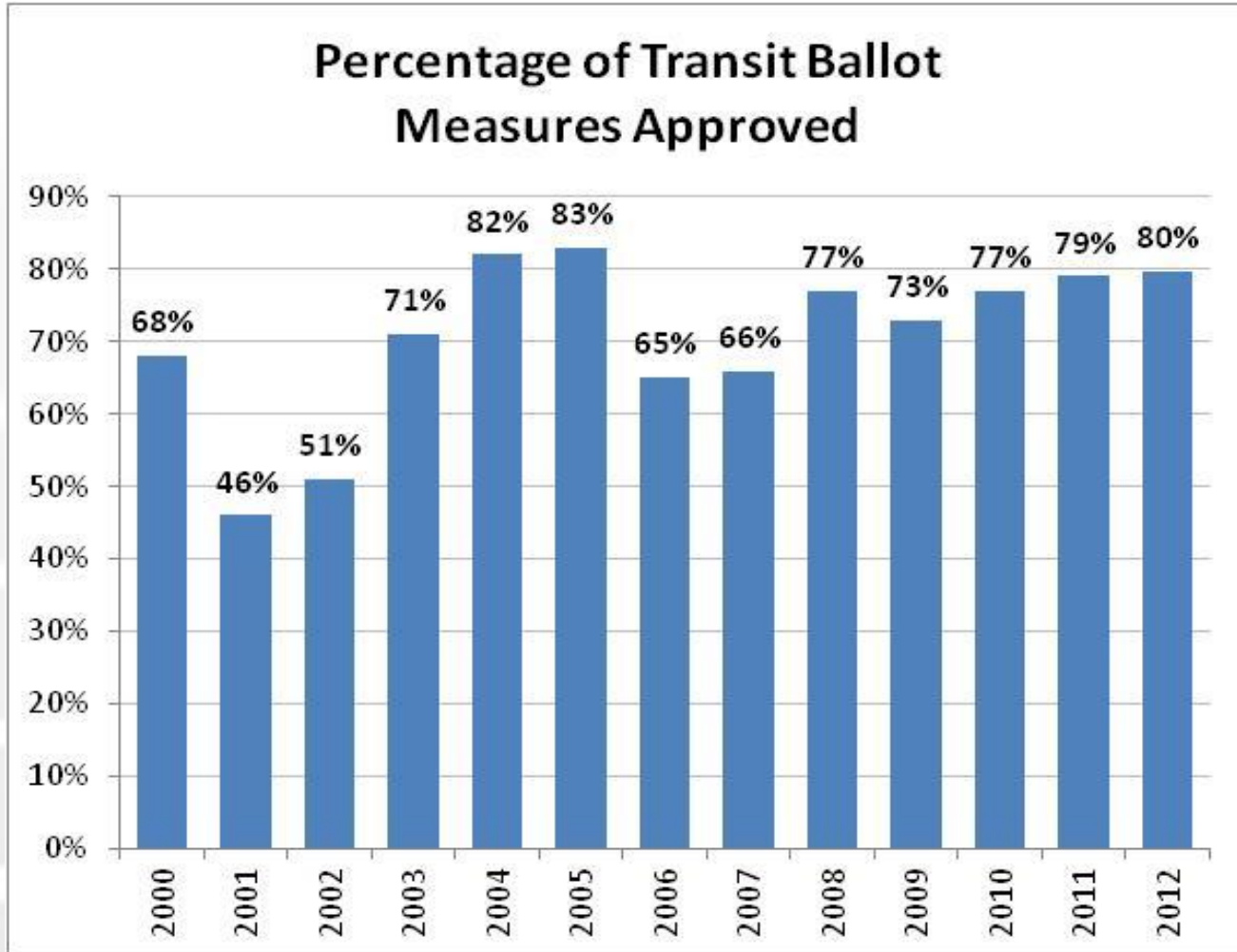


# Sources of State/Local Funding Assistance

- Sales Taxes
- Property Taxes
- Motor Fuel (wholesale / retail)
- Vehicle / Driver Registration
- Car Rental / Leases / Tires
- Hotel Occupancy
- Impact Fees / TIFs
- Realty Transfer
- Naming Rights
- Sponsorships
- Lottery proceeds
- Airport Passenger Charges
- Internet Sales Taxes
- Special Assessment Districts
- Parking Fees
- Tolls / Road Pricing
- Payroll/ Earnings/ Wage
- Corporate Income
- Personal Income
- Utility Fees
- Corporate Franchise Taxes
- Excise Taxes
- Poured Drinks
- Taxi Surcharges
- Casino Revenues
- Energy Taxes



# Transit Finds Continued Success with Voters



# Managerial and Good Government Attributes of the Federal Transportation Trust Fund



- Plan multi-year projects, rather than year-to year
- Multi-Year Financing
- Leverage private and other non-federal money
- Investment programs require the long-view
- Devote management attention to project delivery rather than yearly budget crises
- The certainty of a Trust Fund dollar makes it more dear than a non Trust-Fund dollar

# Illustrative Surface Transportation Revenue Options



- Oil Franchise Tax / Refinery
- Container Tax
- Customs Revenues
- Drivers License Surcharge
- Motor Fuels Tax Increase
- Index Motor Fuels Tax
- Imported Oil Tax
- Business Income Tax
- Personal Income Tax
- Registration Fees
- Sales Tax on Fuel
- Sales Tax on Vehicles
- Tire Tax
- Mileage Based User Fees
- Carbon Tax
- Construction Vehicle Tax
- Financial Transaction Tax
- Oil and Gas Leases
- Investment of Expatriated Income



# Federal Gas-Tax Contribution to the Mass Transit Account:

1983	1 cent / gallon
1991	1.5 cents / gallon
1996	2 cents / gallon
1998	2.86 cents / gallon



## April 1983: Ronald Reagan President

- Senate: Republican majority
- House: Democrat Majority
- The federal gas tax increases from 4 cents to 9 cents, with one penny of the increase going (for the first time) to the Mass Transit Account



## December 1991: George H.W. Bush President

- Senate: Democrat majority
- House: Democrat majority
- The federal gas tax was increased from 9 cents to 14.1 cents. One-half of the 5 cent increase went to deficit reduction. The other half of the increase went to transportation (2 cents for highways, .5 cents to public transportation)





## September 1993: Bill Clinton President

- Senate: Republican Majority
- House: Democrat Majority
- The federal gas tax was raised from 14.1 cents to the current 18.4 cents. All of the increase went initially to deficit reduction. But if and when the federal budget would ever come into balance, the funds would resort to the Trust Fund.
- In 1998, TEA-21 directed the full 18.4 cent federal gas tax to the Transportation Trust Fund.



# APTA Issues for Reauthorization:

- Revenues to make the federal Transportation Trust Fund sustainable.
- How to achieve a balance between capacity expansion, rail state-of-good-repair, and bus state-of-good repair.
- Need to re-establish a bus discretionary program that will allow transit systems to address “lumpy” replacement needs.
- How to accommodate “core-capacity” needs in the New Starts program in a manner that fairly addresses this new category of needs with a minimum of disruption to the core program.
- Implementing “performance measurement” programs to connect local decisions to performance outcomes and system goals, with a minimum of federal involvement.
- Implementing the new FTA Safety Oversight program.



## Next Steps

- MAP 21 Implementation and Rulemaking
- December 5 APTA Legislative Committee Principles
- Technical Corrections bill?
- FY 2014 Transportation Appropriations bill?
- Consideration of a passenger rail bill (PRIIA)?
- Tax Reform: Revenues necessary for a stable Trust Fund?
- A Grand Bargain ???
- Reauthorization of MAP-21



# ONWARD!!!

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