

Testimony of
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At the Joint Hearing of the
Senate Standing Committee on Finance
&
Assembly Standing Committee on Ways and Means

Concerning the SFY 2013-14 Executive Budget Proposal
Relating to Transportation

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Hearing Room B

Thank you, Chairman Farrell and Chairman DeFrancisco, for giving the New York Public Transit Association the opportunity to testify before this joint session of the Senate Finance Committee and Assembly Ways and Means Committee regarding Governor Andrew Cuomo's proposed Executive Budget for SFY 2013-14.

My name is Carm Basile; I am the Chief Executive Officer for the Capital District Transportation Authority here in Albany. CDTA provides services throughout the Capital Region, with more than 55,000 boardings each weekday, many of which take place right outside this building, connecting people to jobs. I am also the President of the New York Public Transit Association, a not-for-profit association representing public transit agencies throughout the State. Our members include public transit providers, private sector manufacturers and suppliers, state agencies, and community advocates. Our members range from the largest system in the nation, the MTA, to one of the smallest in Watertown. To highlight the size and importance of transit service in New York State, if all our transit systems outside the MTA were combined, they would comprise the seventh largest transit system in the United States.

Our members support the state's economy and the quality of life in our communities by providing access to safe and reliable mobility. New York transit systems provide over two billion rides on buses and rail annually, connecting the dots of our expanding workforce. Transit ridership is growing across the state with a number of areas showing very strong growth including Westchester County (up 4%) and Ithaca (up nearly 5%). Here in the Capital Region our ridership is up 6% this year and we have had 22 consecutive months of ridership increases!

The good news for us is that there are increases in customer boarding and customer revenue. The down side of that is most agencies are dealing with multi-million dollar deficits even in the face of success. Unfortunately, except for the MTA, customer revenue accounts for less than 1/3 of our operating budgets, leaving gaps that are difficult to fill. For many of us, the gaps are filled by using capital funds – clearly a move that borrows from tomorrow to pay for today which is not sustainable in the long run.

Mobility is critical to our state's economic vitality. Every day millions of customers use buses and trains to get to work, to businesses and shops, to schools and medical appointments. Here in Albany, we have developed cooperative arrangements with 10 colleges to give students, faculty and staff easy access to our services. Thanks to the 2 million rides we provide, duplicative bus services are not needed on these campuses; providing monetary relief to our partners. Our fare collection technology allows us to recognize student ID cards, track ridership and to bill for the access we provide. This is thinking smarter not harder. Smarter thinking is opening the door of possibilities and opportunities for us.

Robust transit route networks expand the labor pool for the state's employers and allow those without cars to participate in a meaningful way in economic growth. Transit agencies are major employers too, with over 75,000 transit workers employed across the state.

Investments in transit infrastructure provide a positive return across the state, by supporting hundreds of transit manufacturers and suppliers located in New York. These suppliers provide thousands of jobs, and generate investments from other states that buy New York transit products. Buses are manufactured and assembled in Plattsburgh; subway and rail cars are built and rebuilt in Plattsburgh, Hornell and Yonkers; paratransit vehicles are outfitted, sold and

serviced in Dansville and Penn Yan; transit system software is developed in Plainview and Johnson City; vehicle air conditioning is built in Syracuse to cite just a few.

The state's transit infrastructure requires continued capital investment to provide safe, reliable service to the public. We need to replace overage buses, modernize maintenance facilities and add more technology. At CDTA, we are ready to procure an upgrade to our fare collection system, which will provide smart cards for college students as I just talked about, and help us to expand our innovative program to major employers, perhaps even to state workers right here in this building, or at the dozens of agency buildings in Albany, Troy and Schenectady.

This cooperative work comes directly from the Governor's challenge to eliminate outdated systems, to be innovative and to value partnerships. Transit systems across the state have listened and are focused on efficiency and effectiveness, minimizing the need for governmental support. CDTA employees are driven to do much more with less, responding to customers and using innovation as a platform for a transit system that is easier to use and understand.

At CDTA, we have spent the better part of two years resizing our operation to align what we spend to what we earn. Employee headcounts were reduced 10% with no layoffs and accompanied by an innovative contract with the Amalgamated Transit Union, Local 1321 that ties wage increases to funding sources. Our employees are the backbone of the company and their efforts have been extraordinary during our rightsizing efforts. In fact, the competency of our workforce is allowing us to consider an expanded life cycle for buses with corresponding purchase plans.

On the street it is about giving customers what they want and improving the riding experience while meeting increasing demand. We recently rolled out the first Bus Rapid Transit system in upstate New York and have created innovative partnerships and service access arrangements that are providing a much needed boost. This work is changing the image of transit upstate, supports continued state investments in our agencies and is a source of pride for the work we do to connect people to economic opportunity.

Our signature BRT service provides the Capital Region with rail-like service delivery. The cooperative investment includes customer-driven features like stations and real time information that have transformed the view of public transit from outside our agency. Ridership on BusPlus increased by more than 20% in the first year of operation, with total corridor boardings now exceeding 4 million. This success has led to the fast-tracking of Bus Rapid Transit along two new corridors here in the Albany area. These are high volume, high density travel corridors, making them prime targets for BRT service. Like many businesses, we need seed money to develop and fine-tune these exciting developments that allow us to move millions of customers to jobs, services and retail centers.

We support Governor Cuomo's SFY 2013-14 Executive Budget which proposes a 7.2% increase in transit operating assistance. The budget provides additional funding to fulfill state commitments to the MTA and appropriates available revenues to downstate transit systems. However, the lack of growth in revenues flowing to the upstate transit account results in our systems not being able to share in increased funding. This funding formula requires our collective attention. Better mobility and improved infrastructure systems are statewide issues,

and we need to work collaboratively to insure that transit riders in every region of the state see improvements.

The lack of revenue growth and diversity in the upstate account will continue to constrain the ability to properly fund upstate systems. These constraints have been addressed in previous budgets through the dedication of a portion of the statewide corporate and utilities tax, along with the appropriation of capital resources in the Dedicated Mass Transportation Trust Fund to supplement upstate operating aid. The Executive Budget proposes legislation to make the statewide allocation of the corporate and utilities tax permanent and NYPTA strongly supports this action. This tax is collected statewide and should be equitably allocated. The sharing of the tax revenue does not impact the downstate account, while helping to diversify the upstate account with a much needed second revenue source.

Transit service came to a halt in the aftermath of super storm Sandy, highlighting the importance of a well-functioning infrastructure system. The state's suburban and upstate transit systems are critical to the economies in their respective regions. Transit infrastructure requires maintenance and routine replacement to reach and maintain a state-of-good-repair status while continuing to provide safe, reliable service to support the economy. We need to look at how we can consistently fund upstate systems to insure that we continue to develop services that meet customer expectations.

NYPTA supports capital program appropriations of \$18.5 million for two capital purposes – the omnibus matching program and the non-MTA capital program, also known as the State Dedicated Fund (SDF). These are the same appropriations as last year, however, to date, the SDF capital monies have not been distributed, slowing infrastructure investments that could improve the condition of vehicles and facilities. These capital funds are needed more than ever, as federal transit funding has remained flat while federal discretionary programs to address capital needs no longer exist.

Investments in transit systems across the state would allow organizations like CDTA to enhance frequency and spans of service on major routes, to develop additional BRT lines, and to further develop contract agreements that offer efficiencies for our systems and the companies we do business with. We are also working with local school districts to reduce duplicative transportation efforts and to save money for them. Our goal is to work collaboratively to improve our bottom line and to maximize productivity and efficiency. As our performance measures show, transit systems throughout New York State are as productive and efficient as any in the country. It's time for us to capitalize on our success and build an even stronger foundation.

I want to thank Governor Cuomo and all of you for supporting a stronger and better network of transit systems in New York State. We support the Governor's Executive Budget proposals for transit. We are committed to working alongside the Governor and all of you to insure economic revitalization across New York. Thank you for the opportunity to be here today and I look forward to working with you to improve transit service across the state.