



AMERICAN PUBLIC TRANSPORTATION ASSOCIATION



THE ECONOMIC IMPORTANCE OF TRANSPORTATION INVESTMENTS: CURRENT TRENDS AND INITIATIVES



Presentation to Rail~Volution 2007

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Themes:

- 1) National Commissions
- 2) Status of Public Transportation
- 3) National Trends
- 4) Economic Benefits of Public Transportation
- 5) Future Visions
- 6) Transportation Finance

National Surface Transportation Policy and Revenue Study Commission



- Established by SAFETEA-LU
- Conduct Field Hearings
- Examine Trends
- Develop a Vision
- Provide Recommendations – Sustainable Finance
- Submit Final Report – September 2007



We Spend a Lot on Transportation

- \$1.6 trillion per year = 12.8 percent of U.S. GDP
 - Some of it public - \$210 billion
 - Most of it private - \$1.4 trillion
 - Some on water - \$32 billion
 - A little more on freight rail - \$44 billion
 - Same on public transit - \$44 billion
 - A lot more on air - \$148 billion
 - But most on highways - \$1.3 trillion



But We Get Many Benefits



"Transportation is key to generating and enabling economic growth, determining the patterns of that growth, and determining the competitiveness of our businesses in the world economy. It is key to both our economic success and to our quality of life."

-- former U.S. DOT Secretary Norman Mineta

Snapshot of Public Transportation in the U.S.



- 34 million times a day, people board public transportation
- 10.1 billion annual boardings in 2006; highest in 49 years
- Numbers of choice riders are increasing as better options are provided
- 6,000 transit providers

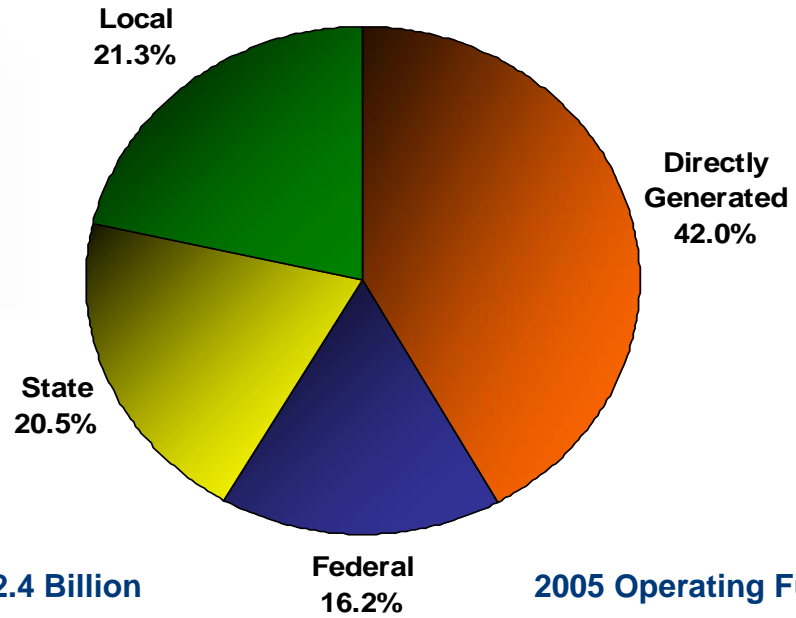


Snapshot of Public Transportation in the U.S.

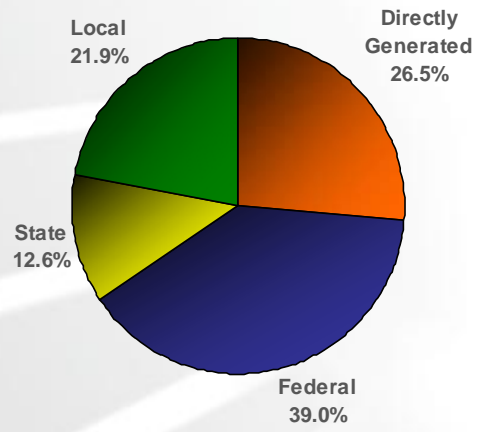
- 60 percent of trips taken on buses
- 38 percent of trips taken on rail vehicles
- \$44 billion industry; employs more than 366,000 people



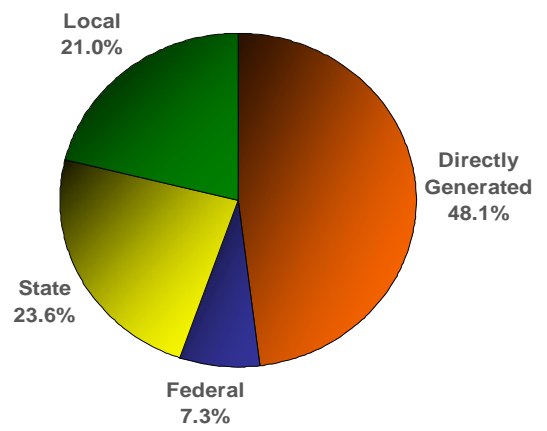
Industry Revenue Sources – \$44 Billion



2005 Capital Funding - \$12.4 Billion



2005 Operating Funds- \$31.7 Billion



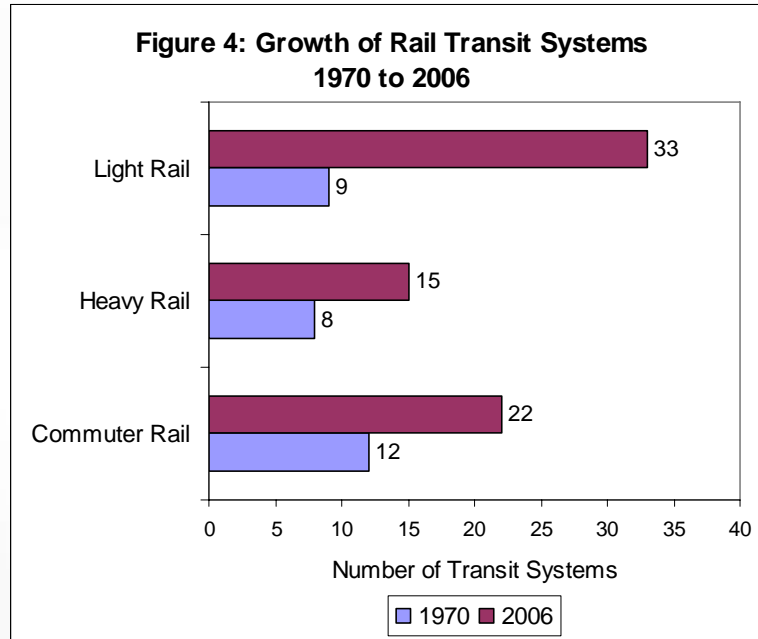


Purpose of Trips Taken on Public Transit

- Commuting (59 percent)
- School (11 percent)
- Shopping (9 percent)
- Other (21 percent)



Growth of Rail Transit Systems 1970 to 2006





Demographic and Social Trends Favor A Growing Role

- Population Growth
- Aging Baby Boomers
- Americas Energy Future
- Climate Change
- Global Competition



Population Growth

- 2050 – 50 percent Growth over 2000 Population
- Already bustling areas will become even more crowded
- No one mode can do it alone – need a balanced system



Increased Mobility...

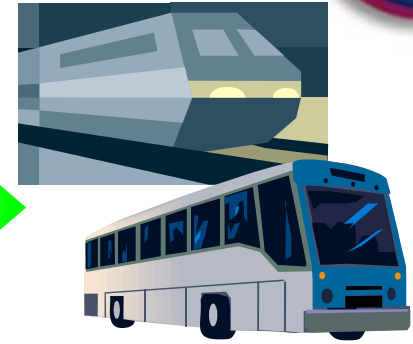


for people with limited auto access

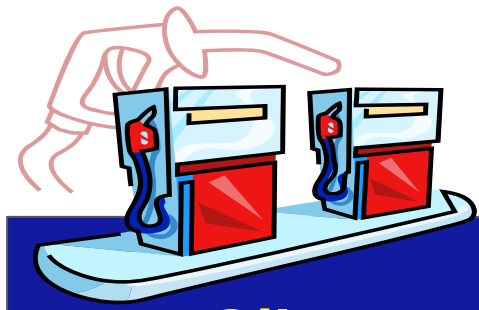
- Seniors – number will double by 2030
- Teens – number will grow 82 percent by 2025
- People with disabilities – more than 50 million
- Rural residents – more than 90 million



Shift From Auto to Transit Lowers Dependence on Foreign Fuel



Saves 1.4 billion gallons of gasoline annually -- or 4 million gallons of gasoline per day



Oil Consumption Drops



Public Transportation Benefits Riders – Saves Money



- Transit riders save @ \$1,400 in gas per year
- Transit availability can reduce need for additional car – yearly expense of \$6,200

(ICF International)

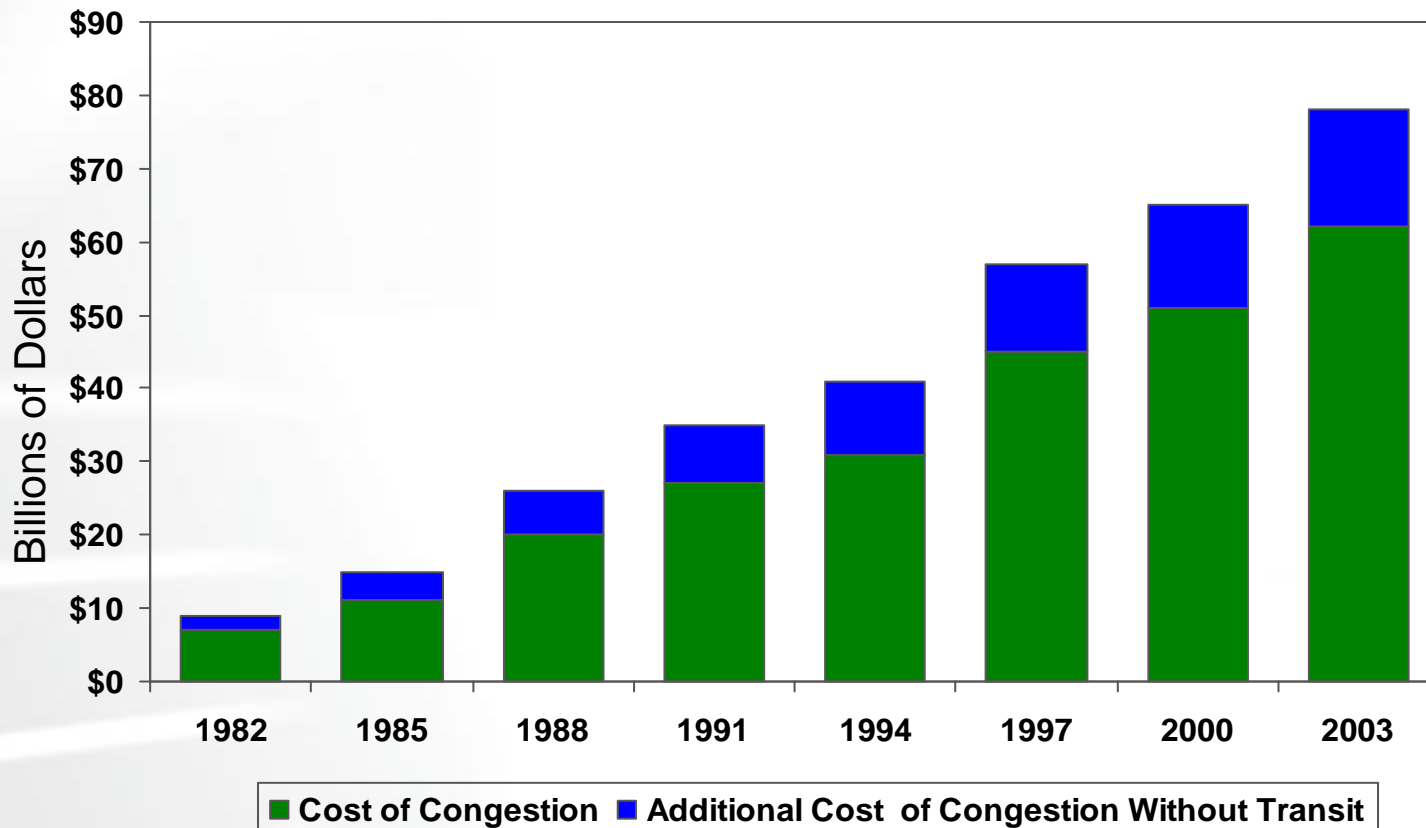


Economic Benefits

- Reduces Congestion
- Connects People with Job/Jobs with People
- Boosts the Economy
- Creates Jobs
- Communities are more attractive
- Metroeconomics



Reduces Congestion; Costs Would Have Been 29 percent Worse

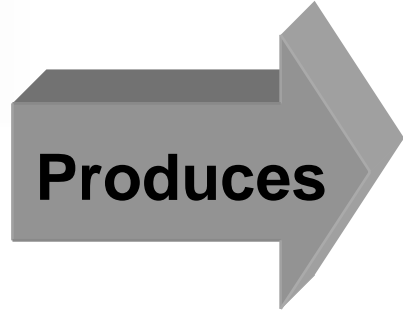


Congestion delay cost: \$63.1 billion
If no public transit: additional \$18.2 billion
Saves travelers 1.1 billion hours in travel time - TTI



Boosts The Economy

\$1 billion of federal investment in transit



\$ 6 billion in economic returns



Vision:

In 2040 America is a thriving nation whose multi-modal, environmentally-responsive transportation system is the envy of the world



Vision:

By 2015 every urban area is served by a high-quality, high-capacity regional public transportation system, and public transportation is readily available as an option in all areas.



Vision:

Energy, environmental, climate change and transportation policies are addressed in an integrated way.

Transportation plans and programs are consistent with these other goals.

Americans Want More Travel Choices



- Research: Americans value choice, freedom, opportunity and mobility options
- Harris Poll: 44 percent want more rail; 23 percent want more bus; only 11 percent want more travel by car
- Transit Referenda: 70 percent approval rate 2000-2007

Will Americans Support More Investment in Public Transit?



- Americans want more public transportation

Surveys:

- 80 percent of Americans see quality of life benefits from increased investment in public transportation
- 76 percent support public funding for expansion and improvement of public transit

Will Americans Support More Investment in Public Transit?



- 8 in 10 opinion leaders willing to support higher taxes
- Americans say commuter, long distance trains, local bus service should have greater share of future passenger travel (Harris Interactive)
- CBS poll – Americans cautious about higher federal gas tax, but would go along with increase if it resulted in U.S. being less dependent on foreign oil or reduced global warming
- 70 percent of voter referenda for transit investment approved since 2000



Voices

- U.S. Chamber of Commerce
- Urban Land Institute
- Hudson Institute
- AARP
- White House Conference on Aging





State Support For Public Transportation



- General Fund 19 states
- Gas Tax 15 states
- Motor Vehicle/Rental Car Sales Taxes 9 states
- Bond Proceeds 8 states
- Registration/License/Title Fees 8 states
- General Sales Taxes 7 states
- Other 27 states



Additional Finance Options

-  Ad Valorem
-  Real Estate Value Capture
-  VMT Fees
-  Pricing

