



Federal Economic Recovery Legislation: Mass Transit Investment

- In January, Congress and the Obama Administration will consider a large economic recovery bill – as much as \$500 to \$700 billion – that would create jobs and stimulate the economy. Desperately needed investment in the country’s aging infrastructure will be a major component of that bill.
 - The amount of funding for infrastructure, and specifically for transit, is undecided. Also undecided is the formula for distribution of funds.
- **Transit agencies around the country are in dire need of funding to maintain their aging systems and increase capacity, and the economic recovery bill should provide funds to address these needs.**
 - With transit ridership up 5% nationwide and vehicle miles traveled decreasing 4% in 2008 – and that trend has continued even after the precipitous autumn drop in gas prices – transit needs its guaranteed fair share of federal funding to meet the increased public demand.
 - Nationwide, there are over \$12 billion in ready to go (120 days) transit projects, and \$50 billion in medium term (2 years) projects. [Source: APTA]
 - In Northeastern Illinois, there are at least \$675 million in ready to go projects, and approximately \$5 billion in medium term projects.
 - Transit investments serve national goals by creating jobs, stimulating economic development, increasing mobility, improving air quality, and reducing our dependence on foreign oil.
- **The transportation funding should be distributed via established statutory formulas that allocate funds by mode. These formulas will allow funds to be allocated quickly and efficiently.**
 - Congress and state and local transportation agencies have relied on these formulas for decades.
 - In September, the House and Senate both passed versions of stimulus bills that allocated funds based on historic modal formulas. Any future stimulus bill that Congress considers should distribute funds via formula programs for each mode of transportation.
 - If a January economic recovery bill were to allocate money to the states to distribute upon their discretion, rather than by the existing formulas, then there is no guarantee that any money would flow to transit.
 - Historically, states have allocated “flex funds” derived from the federal government to road projects, not transit projects.
- **Background on September House and Senate considered stimulus bills:**
 - The House-passed bill, HR 7110, included \$18.5 billion for transportation, with \$4.6 billion dedicated for transit via the urbanized area and rural transit formulas.
 - The House bill would provide \$271 million for Illinois’ transit agencies.
 - The Senate bill, S 3604, provided \$10.8 billion for transportation and \$2 billion for transit. It allocated transit funds based on a long-standing transit formula that uses a combination of urban population, fixed rail miles, and bus miles.
 - The Senate bill would provide over \$100 million for Illinois’ transit agencies.