

May 13, 2015
Capitol Hill Briefing

Public Transit and the Knowledge Economy

- Austin, along with many parts of Central Texas, is projected to double in the next 20 years with 150 people moving to Austin every day. Forbes has named Austin America's #1 Fastest-Growing City for the fourth year in a row (February 2014)
- In addition to growth, we're also seeing a significant decline in car ownership and a rise in downtown living among several generational groups, including Millennials born after 1980.
- They are less likely to want a car, and more likely to want a bicycle, live in a metro area and use public transit.
- Austin is home to the University of Texas, with 52,000 students, and draws hundreds of thousands of people for outdoor music festivals such, as South by Southwest and Austin City Limits.
- We move people – especially young, tech-savvy people – every day....so we've got to be technologically smart and efficient out of necessity.
- Austin ranks #1 in a new study of 70 cities and the transit-tech options they offer, making Austin one of the most car-free or "car-light" cities in the U.S.
- And like in Austin, there is a fundamental change in the economy in cities across America because of technology. Looking ahead, a disproportionate number of American jobs will be in knowledge-based industries and it has already started.
- Each era of American development has been accompanied by the transportation system that served the needs of those times. The industrial economy had its transportation system, as did the post-industrial service economy. The evolving knowledge economy will require a transportation system that provides efficient access to the high-tech, creative and talented workforce that will give those regions a competitive edge.

- Knowledge-intensive industries are locating key facilities close to other firms, research labs, and universities so they can share ideas and practice open innovation. With physical limitations to adding highway lanes, public transportation is best positioned to help support sustained job growth.
- APTA analyzed these trends in a 2013 report titled “The Role of Transit in Support of High Growth Business Clusters in the U.S.” A second report will be coming out in the coming months.
- Many products and services of the knowledge economy are transacted in the global marketplace. A transportation system that sustains and nurtures these high-growth industries has a direct impact on the national economy and America’s international competitiveness.
- Many firms in the knowledge economy are choosing locations like Austin that appeal to knowledge workers. These locations offer housing options that provide walkable access to services, entertainment and shopping and mobility choices. Industries relying on these creative, high-skilled workers are tending to choose places where public transportation is an option. High-tech workers are finding a special appeal in places that are walkable, and are connected by transit and technology.

MAP-21 Reauthorization will help America Prepare for and Underpin the New Economy

- Public transit and highway grants funded from the Highway Trust Fund cannot be made without an authorization bill. Congress needs to pass a new surface transportation authorization before MAP 21 expires on May 31!
- Without it, there are huge consequences. Austin is now the 5th most congested area in North America and the 10th most congested in the world, surpassing New York City, Paris and Rome.
- And, from July 2013 through July 2014, each Austin driver wasted an average of nearly 43 hours stuck in traffic. 147,000 people who commute to Austin each day lost a combined 6.2 million hours to congestion. (*source: INRIX Traffic Scorecard*)
- Poll after local poll shows traffic is our region’s number one issue. Traffic is

putting Greater Austin at real risk of diminishing our envied quality of life and slowing our admired economic engine.

- As progressive as Austin is, we have to remember Austin is in the heart of Texas and Texans love their cars. That's why we need an "all of the above" strategy to give people multiple options.
- There's no single solution to the region's growing congestion. We're growing rapidly and no single element of transportation can solve our congestion issues. As a community:
 - We're widening and lengthening existing roads — where we can
 - We're building new toll roads and adding toll lanes to existing highways
 - We're adopting new last-mile options, like bike share, car share and Uber
 - More suburban cities are trying to figure out how to fund transit service
 - And, Capital Metro is investing in new transit services, new technologies, more rail and more frequency on our bus routes
- But we can't do it alone. We have a long tradition of a successful federal/local partnership in our infrastructure investment and that needs to continue.
- The economic benefit that comes with infrastructure investment is indisputable. For every \$1 invested, there is \$4 in economic benefits.
- Most people believe that we need to maintain and improve the transportation systems that serve the nation in so many ways. Costs associated with our public transportation systems include:
 - An \$86 billion one-time cost to bring the nation's existing transit infrastructure into a state of good repair
 - The annual cost of maintaining the existing system and doing normal replacement of aging buses, rail cars, and facilities
 - The cost of expanding public transportation facilities in growing communities
 - The costs of maintaining our aging roads and bridges
- While passenger fares, combined with state and local funding, pay for more than 80% of the \$61 billion in public transit expenditures each year, federal spending is

a critical part of paying for capital and operating expenses at public transportation systems nationally.

- In closing, we strongly urge the U.S. Congress, to enact a new multi-year authorization bill that provides dedicated funding for the Highway Trust Fund, to pay for the current federal transit program and the growth of that program for transit and highway infrastructure needs.
- We also support federal legislation for the creation of an integrated network of intercity passenger rail services, with dedicated revenues, other than those currently supporting the Highway Trust Fund, for such a program.
- And finally, thank you listening today and for your continued work on this important issue.