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# Transportation Alliance

March 1, 2018

## Testimony on FY19 MTA Operating Budget – Budget & Taxation Subcommittee on Public Safety, Transportation, and Environment

The Central Maryland Transportation Alliance, a coalition of leaders from the business, philanthropic and institutional sectors committed to improving and expanding transportation options for the residents and businesses of Central Maryland, is concerned about underinvestment in the MTA's transit system.

Due to inflation, the MTA must increase its budget yearly just to put out the same level of service. In the transportation sector costs rise faster than inflation. The Federal Transit Administration found that between 2002 and 2012 the cost per mile of service at the ten largest transit agencies (including WMATA and MTA) rose 6.5%. However, based on the MTA's current working budget it is averaging just a 2.5% increase per year over the last four years.

Additionally, MTA has said that most of its budget increases go to contractually obligated cost escalations. For example, the private companies that operate MARC service have contracts with cost escalators "baked in" that MTA can't do anything about. The private sector recognizes and plans for rising costs. MTA faces its own rising costs but does not have cost escalators for itself. MTA's budget is not enough to keep up with rising costs, let alone improve service.

However, because the MTA is directly accountable to just the Secretary of Transportation and the Governor, the governance structure makes it difficult for the agency to give an independent and honest assessment if its budget needs are not being met.

At the time of this hearing the Baltimore Metro is in the middle of a month-long emergency shutdown because of degraded infrastructure. An analysis of federally-reported data shows that MTA buses suffer mechanical breakdowns 2 to 5 times more often than peer transit agencies along the northeast corridor. And according to recent Goucher poll (February 2018), 52% of Marylanders think "the state government spends too little" on public transportation.

We agree with the majority of Marylanders and urge this committee and the General Assembly to fund MTA at a level that accounts for rising costs and allows for service improvements that measurably improve outcomes for the residents of Maryland.