

### **Floor on Regional Gas Taxes**

- The TDCHR supports an amendment to Virginia Code § 58.1-2295 which would establish a protective floor price for the 2.1 percent (2.1%) regional wholesale price per gallon gas tax much as was done for the statewide fuels tax in §58.1-2217. Such a floor concept is essential to provide a more stable, dedicated revenue source needed for long-term financing of regional projects in Hampton Roads and Northern Virginia. It is estimated that such a floor would raise approximately \$20 million or more per year for the region.

### **Statewide Transit Capital Funding**

- The TDCHR supports state funds for transit state of good repair to replace state bond funding that will be exhausted in 2019. Localities served by Hampton Roads Transit would need to identify an additional \$12 million annually to just to meet basic state of good repair for buses if historical state funding were not available.

The General Assembly (HB 1359) established the Transit Capital Project Revenue Advisory Board in 2016 to examine state transit capital funding needs and identify potential solutions to meet these needs. Highlights of the board's findings include the following:

- Bond funding that was approved in 2007, primarily for transit state of good repair, will be exhausted at the end of FY 2018.
- With the end of this funding, there is a projected revenue shortfall averaging \$130 million annually over the next ten years starting in FY 2019.
- This funding is just to maintain historical levels of investment.
- 80% of funds are typically used to meet basic state of good repair, like purchasing buses, and the remaining 20% for minor enhancements and some expansion.
- Virginia's economy would lose \$200 million annually in economic activity if this funding is not replaced. These losses are just related to lost capital investments – there would be additional economic losses across Virginia as daily transit operations are impacted.
- Virginia needs steady and reliable revenues dedicated to the statewide transit state of good repair program.
- A combination of statewide and regional sources could be considered but use of any regional funds should be only for transit needs that improve service across the region.

### **Regional Transit Funding**

- The TDCHR supports a dedicated regional funding source for public transit in Hampton Roads without a reduction in funding for other transportation modes. New regional funding will enable the region to develop a fully integrated and inter-connected regional transit system by:
  - Fixing what's broken or missing in the current system;
  - Making targeted improvements that more effectively connect major employment, retail, education, medical, and tourism destinations across city boundaries resulting in a true regional transit system;
  - Including new oversight, prioritization, and accountability provisions.

Hampton Roads is a global gateway for commerce that is vitally important to Virginia's economy. Transit plays an important role regionally, supporting more than 20,300 jobs and \$538 million annually in employment income, as well as \$89 million in consumer spending across Hampton Roads. The lack of a regional funding structure has resulted in a system of localized transit routes rather than a fully integrated and optimized regional transit system. A metropolitan area of 1.7 million people must have a truly regional transit system if it is to grow and compete in the global marketplace.

#### **Federal Capital Investment Grant (CIG) Program Funding**

- The TDCHR supports Congress protecting and expanding federal Capital Investment Grant Program (New Starts/Small Starts) funding to meet demand. The federal fixed-guideway transit funding program is particularly important as Hampton Roads looks to possible extensions of The Tide light rail system, Bus Rapid Transit, or similar services.

#### **Federal Bus and Bus Facilities Program Funding**

- The TDCHR supports increased federal funding for the Bus and Bus Facilities program. Specifically, there is need for \$2.85 billion additional investment to the FTA Bus and Bus Facilities program. The TDCHR recognizes that buses are the backbone of transit service and continues to advocate for sufficient and sustainable funding for bus and bus facilities. Under MAP-21, bus funding was reduced by 57 percent. Overall, bus and bus facilities moved from 21 percent to just 9 percent of the federal transit program, even though buses carry more than 50 percent of all transit riders in America. The FAST Act included some increased bus and bus facilities funding, however by 2020 authorized funding for bus transit programs will still be 15 percent lower than it was in 2011 and will represent only 14 percent of total federal funding for transit.

Cuts to this program between 2009 and 2015 have resulted in an almost 40 percent increase in the number of transit buses nationwide operating past their useful life. This is a significant issue in Hampton Roads, where approximately 35 percent of the bus fleet is 12 years of age or older, and the average fleet age of 10 years far exceeds the industry standard 7 years average age. Many of these buses have more than 500,000 to 900,000 miles, which makes them prone to breakdowns and costly maintenance.

The \$2.85 billion will fill the gap in funds diverted from the Bus and Bus Facilities program between 2013 and 2020. This funding will help transit agencies across the nation reach a state of good repair and operate safe, efficient and reliable systems. It will also quickly boost economic activity. Bus purchase orders are sitting on the shelf and can be generated in a matter of days, not months. Modernizing the nation's transit fleet will create thousands of good paying U.S. manufacturing jobs, increase access to work and commercial centers, and help address the backlog of aging bus fleets and facilities like the ones we have in Hampton Roads.