Georgia’s Public Transportation Crisis

The Time for Georgia’s General Assembly to Act is Now
EXECUTIVE SUMMARY

Metro Atlanta residents face unique mobility issues. Those of us fortunate to own a car spend way too much of our time sitting in traffic instead of spending quality time at home with our families.

If you take MARTA to get around the city, you have become all too familiar with the concept of paying more and getting less, as service cuts have become far too common and fare hikes much too steep.

And if you want to go somewhere outside Fulton or DeKalb County and don’t have a car? Hopefully you have a good pair of shoes.

MARTA is the child of the Georgia General Assembly, created in the 1970s. And like any parent, the legislature has provided structure and discipline along the way. When appropriate, any good parent allows their child to grow so that they can meet their true potential. At some point, Mom and Dad might even put a few dollars in their child’s pocket and tell them to go out and spend it wisely. Unfortunately, while other States, including our competitors in the Southeast, have opened up their wallets and wisely supported public transit, Georgia has instead decided to purposely starve MARTA, along with its 127 brothers and sisters (the smaller transit systems throughout Georgia). This is a case of child neglect, and it has been going on for too long. The question is: Why?

Why does MARTA, which services the economic engine of Georgia, receive no State operating support? In fact it is the largest system in the country without operations funding – and it only receives 1% of its capital budget from Georgia. Furthermore, why is even local funding for MARTA restricted to just 50% of operations? Moreover, why is the Legislature, despite the recent failure of transit privatization in multiple U.S. cities, relying on a biased report with faulty data to require MARTA to send good U.S. jobs over to foreign corporations that will raise fares and cut service?
Georgia’s proud history in the production of pecans, peaches, peanuts, and other products is well known. In addition, some of the largest Fortune 500 companies in the world – Home Depot, Coca Cola, and Delta Air Lines – have long called Georgia home, and the State has nurtured them so that they may continue to grow. We therefore know that when it wants to, the Georgia General Assembly can be a wonderful and caring parent. People throughout Georgia who rely on safe, affordable and reliable public transportation have been waiting for years for the State to show them the same level of affection. For the sake of all of us, now is the time to let MARTA and the rest of the State’s transit systems grow.

ENDLESS TRAFFIC CONGESTION

With no large bodies of water, mountains, or major federal land holdings to limit the city’s outward growth, the Atlanta region sprawled out uncontrollably during the 1990s, when every two-thirds of our summer days were unsafe for outdoor activities due to unhealthy air quality. We were choking on exhaust fumes after buying homes miles from the city and commuting by single passenger automobiles. Our grandparents and children were told to stay inside all day to avoid poisoning their lungs.

Today, Atlanta is the seventh most-congested city in the U.S., tied for third place in time spent commuting nationwide.1 While some say our air quality is slightly better today, the likely reason is that the unemployment rate is still sky high and fewer people are polluting the air on the way to work each day. Hopefully the job market will rebound soon, and when it does, “Code Red” days will certainly be back in our daily vocabulary.

Metro Atlanta commuters now lose 51 hours a year to traffic jams. When we are on our death beds years from now, we will definitely want that time back to spend with our families. But those precious moments are gone forever.

With more than four million people (up from 1.8 million in 1970), and a growth rate of 38.9%, Atlanta also has the fastest growth rate of any southeastern city with a population of more than a million people. Atlanta’s urban land area expanded 47% between 1990 and 1996, following a 25% expansion between 1980 and 1990. These trends are likely to continue. Some experts believe that the region’s population could double by 2050.2

The only option (short of keeping our employment rate down) for getting out of this congestion cycle is to provide our region’s residents with an alternative to driving to work. But for those of us outside Fulton and DeKalb Counties, MARTA is simply not an option, and sadly, the General Assembly set it up that way. Even in the city itself, the current plan is to shrink service.

OUR COMPETITORS GET IT

Atlanta trails far behind other Southeastern cities of similar size in terms of transit service provided to the community. Miami and Dallas both run more vehicles than Atlanta during peak service hours. Houston runs nearly three times as many vehicles.3 Nationwide, even far smaller cities like Baltimore and Salt Lake City provide much more bus and rail service.

In fact, Georgia is “looking up” at virtually all of our so-called competitors in the southeast. Florida,

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1 Texas Transportation Institute’s 2012 Urban Mobility Report.
3 National Transit Database. Houston runs 2,207, Atlanta 830.
for example funds transit at $185 million annually. And this is not a “Red versus Blue” issue, as even the traditionally Conservative states of North Carolina ($75 million), Tennessee ($36 million), and Texas ($29 million) see the value of investing in safe, quality, affordable public transportation. Even in tiny Arkansas, the State legislature created a dedicated revenue source for transit which has greatly enhanced mobility in the Little Rock region.

HANDCUFFS

As for Georgia? In 2010 we invested a measly $2.2 million in transit statewide, and only for capital expenses. In fact, MARTA is by far the largest system in the country without any State aid to provide transit service (operating assistance).

The General Assembly has handcuffed MARTA from its inception. It allows for just a 1% sales tax in Fulton and DeKalb counties, and only 50% of that funding may be used for operating assistance. This statute, another self-inflicted wound, is unique in U.S. transit policy. No other State in the nation places such onerous restrictions on local transit funding.

Put these limitations together with our State’s misguided, archaic constitutional provision which restricts gas tax revenues to highways only, and we have our very own, self-imposed mobility crisis. The State of Georgia invests 22 cents per person on public transportation each year. Americans spend nearly $1,100 a year; over $5 a day, on coffee, almost as much as we spend on commuting, which accounts for about $1,500 a year. If you are a Georgia resident looking to save up enough money for just one cup of joe, you would need to set aside your allotment of transit money for the next 25 years. Hopefully your caffeine fix can wait.

STARVATION

No State funding. Huge restrictions on local funding. This is a formula contrived to ensure that MARTA service is contained to a designated area with no hope for growth, and the result has been exactly as designed. Transit-dependent people who rely on MARTA service have had to deal with service cuts and fare increases several times since the system was created.

Most recently, in 2011, MARTA raised one-way fares from $2 to $2.50. In 2010, it cut bus hours by 10% and rail hours by 14% to address a $69 million budget deficit for the 2011-2012 financial year. Forty two bus lines were eliminated, while about 85 were modified. Once again, people who could little afford to pay more were forced to dig deep into their own pockets, and they are getting far less service.

CLAYTON COUNTY: A NATIONAL DISGRACE

The transit system in Clayton County shut down in 2010, stranding 8,500 people, 81% of whom earn less than $35,000 a year and 65% of whom have no car. While transit systems nationwide have buckled under the pressure of severe budget cuts since the beginning of 2009, few have actually shut down. Once again, Georgia has distinguished itself.

A survey found that 3 out of 4 people could lose their jobs when the buses stopped rolling. The State of Georgia, through its transit starvation policy, created a mobility crisis in a majority African-American community in the cradle of the civil rights movement, and it did nothing to address the situation.

In fact, as Clayton County residents struggled to make ends meet, the legislature in 2010 began providing direct funding ($8.1 million proposed by Governor Deal in this year’s budget) to the Georgia Regional Transportation Authority (GRTA) to run the Xpress bus service on 33 routes in 12 metro Atlanta counties. This is fantastic news for the “choice riders” in the 12 counties serviced by Xpress, which provides more than two million passenger trips annually, giving “reliable, stress-free commutes to/from major employment centers in Downtown, Midtown, Buckhead and Perimeter Center.”

But why has the State chosen to turn its back on Clayton County residents? Why has it left Cobb and Gwinnett Counties with limited routes and hours? We have an exploding population of suburban poor – up 249% in the last two decades, expanding 60% faster than the rest of the suburban population – often without the money to purchase or keep a car. Yet the only people worthy of State funding for transit are the GRTA Xpress passengers, with an average household income of just under $75,000 a year? Their wages are more than double Cobb and MARTA passengers.

What is going on here? Where are our priorities as a society? The General Assembly should pass Senate Bill 92 (Fort), which for the first time would provide dedicated funding for public transportation systems statewide.

According to a national study, “The fact that most public transportation riders are African-American has limited MARTA’s growth in predominantly white and well-off suburban areas.”

JOBS, JOBS, JOBS

Nationally, 69% of working age residents in American cities live near a transit stop. In Atlanta, that percentage is only 38%. In fact, only 22% of all jobs in the Atlanta region are reachable by transit within 90 minutes. It is no surprise that we rank 91st out of the top 100 metros in the nation with respect to job access.

Yet despite the handcuffs and the starvation, a recent University of Georgia study indicates that MARTA is still incredibly important to our region’s fiscal health. The number of workers who depend on MARTA to get to their jobs — nearly 100,000 people — has tripled in the past five years. In fact, MARTA supports between 20,000 and 37,000 jobs in Georgia. Nearly 150,000 workers in the Atlanta area, including car owners, use MARTA for their

5 Wheels in motion to drop C-Tran; Clayton County could save $8 million without buses, but strand 8,500. Atlanta Journal-Constitution, March 13, 2010.
6 www.grta.org
8 YOUR COMMUTE; State Budget Might Pay For Bus System.
daily commute. And of the 18 fastest growing industry sectors, 14 employ workers who rely heavily on MARTA. The economic activity of the nearly 100,000 MARTA-dependent workers support another 80,000 additional jobs.¹¹

**PRIVATIZATION: THE WRONG SOLUTION FOR MARTA**

With the failure of T-SPLOST, lawmakers are now focused on going back to the drawing board for MARTA. Rather than considering funding, as almost every State in the nation has done, the discussion has turned to shrinking the system even more.

Rather than focusing on MARTA’s biggest challenge, the lack of State and local funding, a recent “report” released by KPMG almost exclusively examines the agency’s costs and quickly concludes that its economic model is “unsustainable.” KPMG’s recommendations to management to generate revenue are to dig deeper into employees’ wallets for healthcare and pension costs.

KPMG, driven from the onset of the report to focus exclusively on costs, presents simplistic textbook theories of competitive markets which do not take into account the real-world market strategies of public contracting in which establishing monopolies, influencing public officials, and obtaining hidden subsidies are commonly used to enrich private investors at public expense. KPMG fails to even note that the majority of studies have found that mandated privatization of public transit through competitive bidding serves to reduce the standard of living for workers and diminish the transportation service provided to communities.

**REGRETS**

Recent examples of failed transit privatization all across the country are easy to find. The only place that private providers are able to look for savings is out of the pockets of the workers through wage and benefit reductions or the riders (fare increases). In almost all cases, massive service cuts are part of the equation.

- In **Long Island**, NY, Veolia Transportation, looking to close a $7.3 million budget gap, slashed service only six weeks after taking over bus service in 2012.¹²

- In **San Diego**, First Transit promised to save the city $10 million in year one. Instead, it saved only $1 million, and only by slashing annual bus service hours by 14,000. All of the savings were achieved through cuts.¹³

- In **Toledo**, OH, the transit system decided to bring paratransit service – dogged with rider complaints about early and late pickups, excessively long ride times, and surly drivers – back in house after a failed experiment with privatization.¹⁴

- In **Sacramento**, the county asked First Transit to agree to improve its bus operators’ benefits in hopes of keeping drivers on the job longer. The private company paid its top drivers only $14 an hour, and lost 30 of its 56 drivers in one year, causing massive service delays and maintenance issues.¹⁵

**CONCLUSION**

If the General Assembly is serious about making Atlanta into a world class city where people (rich or poor) want to live and companies (big or small) want to locate, we have to begin to fund public

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¹³ Bus Privatizing Savings Not As Touted. The San Diego Union-Tribune, April 4, 2012
¹⁴ Transit Authority Absorbs TARPS; Complaints Dogged Paratransit Service. The Toledo Blade, September 27, 2008.
transportation. MARTA performed brilliantly during the 1996 Olympics on a world stage and it could do the same for the people of Atlanta if it had the resources to properly expand.

The privatization schemes now being considered, which would require large parts of the agency’s operations to go out to the lowest bidder, would signal the end of Atlanta’s brief and incomplete experiment with public transportation. This approach, which puts profit before service, is not in the public interest. Poor people who need a ride to work or other destinations will have even fewer options than they have now, and they will have to dig even deeper into their wallets due to skyrocketing fares. People in the suburbs looking to beat the increasing price at the pump will continue to be frustrated by the few transit options available to them.

The Georgia General Assembly now has a clear choice which will impact our region for decades to come: fund MARTA and let it reach its potential, or privatize MARTA and hand it over to foreign corporations which are only interested in padding their profits.

The dedicated men and women who proudly go to work each day for the nation’s eighth largest transit system and the thousands of riders who rely on the service they provide hope that legislators choose people over corporate greed. If they do, MARTA can finally emerge as the child that every parent can be proud of.

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**On behalf of the people who rely on MARTA and the other transit systems throughout Georgia, ATU calls on the General Assembly to address our State’s mobility crisis by:**

- Creating a dedicated revenue source for public transportation to maintain critical service that keeps people connected to their community;
- Providing adequate funding for transit so that people have an alternative to driving to work;
- Abolishing laws restricting the use of local transit dollars to avoid service cuts and fare increases;
- Keeping public transportation public.

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