TESTIMONY OF

MATTHEW BOOTERBAUGH

CHIEF EXECUTIVE OFFICER

RATP DEV USA

ON BEHALF OF THE

NORTH AMERICAN TRANSIT ALLIANCE

BEFORE THE

SUBCOMMITTEE ON HIGHWAYS AND TRANSIT

OF THE

U.S. HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

ON

"AMERICAN BUILDS: A REVIEW OF OUR NATION'S TRANSIT POLICIES"

APRIL 9, 2025

SUBMITTED BY

North American Transit Alliance
404 Laurens Way, Queen Anne, MD 21657

Introduction

Chairman Rouzer, Ranking Member Norton, and Members of the Subcommittee on Highways and Transit, on behalf of the North American Transit Alliance (NATA), thank you for the opportunity to testify on "American Builds: A Review of our Nation's Transit Policies".

My name is Matt Booterbaugh, and I am the Chief Executive Officer of RATP Dev USA. I joined RATP Dev in 2019 and was named CEO in 2024. RATP Dev operates multiple modes of public transportation in the United States and around the world, including bus, paratransit, rail, non-emergency medical transportation, microtransit, shuttle, and autonomous vehicles. I am a member of the board of NATA, and I am appearing before this committee in that capacity.

NATA is comprised of the six largest private transit contracting firms. In addition to RATP Dev, our members include Transdev, Keolis, MV Transportation, WeDriveU, and Beacon Mobility. NATA member companies operate and maintain paratransit, fixed route, and other transportation services on behalf of public transit agencies in the U.S. and Canada and several of our companies, including RATP Dev, operate public transit systems around the world. Our member companies comprise up to 15 percent of the U.S. public transportation workforce, encompassing more than 71,000 employees. NATA members collectively serve over 700 million riders per year. Eighty-five percent of the NATA companies' workforce are represented by labor unions.

NATA's mission is to advocate for the essential role private contractors play in delivering safe and reliable public transit. Every day our members transport millions of people to jobs, school, medical centers, retail stores and more. The services we provide have a major positive impact on economic development and the quality of life in the communities we serve. NATA members also are members of the American Public Transportation Association (APTA).

The private sector has a long history of operating public transit services under contract to city and county transit agencies. More than half of the agencies in the U.S. contract with the private sector to operate all or a portion of their transit service. Our members operate bus rail and paratransit service in large and small cities and rural areas throughout the country.

Our companies bring our global expertise to the public transit agencies we serve, providing them with the benefits of our unmatched scale and reach, including:

- The ability to leverage support services, training programs and costs (including in safety, maintenance and HR) across multiple contracts;
- Investments in technology and innovation to manage employees, improve safety and drive innovation;
- Experience across multiple markets with key industry changes, including alternative fuel vehicles, microtransit models and software platforms; and
- Volume discounts on parts and faster delivery times due to larger volumes

Our companies also provide the added benefit of competition. When multiple private-sector entities compete for transit contracts, taxpayers are assured of maximum value for every dollar spent. Challenging Key Performance Indicators (KPIs), which are part of every contract, ensure riders receive world class service.

Transit ridership across the country has recovered about 77 percent on average since the COVID-19 Pandemic with bus service recovering 78 percent. Most significant growth in transit ridership occurred between 2022 and 2023, with the growth trend continuing in 2024. While some passengers have changed their travel patterns and no longer commute to a downtown office five days a week, more people are using transit throughout the day, in the evenings and on weekends.

As the Subcommittee begins the process of reauthorizing the public transportation program, we urge Congress to continue to invest in public transportation as it is the only transportation option for many people and relieves traffic congestion on our roadways. Public transportation also enhances economic development by providing access to jobs for employees.

Recognizing that Congress increased funding for public transportation in the Infrastructure Investment and Jobs Act, that funding was largely for capital expenses. Transit agencies must rely on farebox revenues and state and local subsidies to fund their operating expenses. Our companies can help transit agencies close the gap in operating shortfalls by delivering services that meet customer demand at a cost-effective price. From micromobility, to autonomous shuttles, to greater adaptation of alternative fuel vehicles such as hydrogen and compressed natural gas (CNG), to new and expanded rail and bus rapid transit, to changing schedules to better adapt to a workforce that no longer adheres to a 9 to 5 workday, NATA member companies are sharing our experiences and recommendations to enable transit agencies to deliver transit services in a way that best serves the traveling public in their respective communities, is cost effective and provides good salaries, benefits, and job opportunities for our valued workforce. In many cases we save money by centralizing overhead costs.

Today, I would like to share with the Subcommittee some examples of how NATA members have partnered with our transit agency customers to deliver service that meets the needs of their community at reduced costs.

The business case for fixed route service is challenging in suburban areas with lower population density. To address the issue of buses that are empty and service that does not take passengers where they need to go, NATA members are partnering with transit agencies to deliver microtransit service in smaller vehicles, which eliminates the overall operational cost of running 40 foot buses on routes where they are not justified based on the productivity rates. Smaller transit vehicles are generally less expensive to operate. As demand increases for micro transit service, NATA member companies can help agencies find the right balance of fixed route and microtransit.

In 2023, RATP Dev began working with Durham, North Carolina's GoDurham transit service to transition from a management contract to a full operations contract. At the same time, the City of Durham set ambitious goals to restore service to pre-pandemic levels by 2024. RATP Dev exceeded expectations, successfully restoring 100% of pre-pandemic service levels ahead of schedule in early 2024 and implementing multiple service expansions. As a result, GoDurham achieved the highest monthly ridership in its history in October 2024. This success was driven by innovative solutions RATP Dev introduced in partnership with the city, including new strategies for recruitment, enhanced community engagement, and improved system safety performance (62% reduction in preventable accidents).

Transdev has been operating the NICE Bus contract in Nassau County, New York since 2012. NICE Bus is a critical transit system connecting people throughout Nassau County and providing connections to the NY MTA's Long Island Railroad for connections into New York City. Transdev's responsibilities not only include the operations and maintenance of the contract, but also encompass FTA compliance, marketing, HR, finance, procurement, ADA eligibility certification, reservations, customer service, scheduling and dispatching. Transdev continues to bring additional value by regularly adding to the positive passenger experience through restructuring routes to increase service frequency, incorporating a contactless fare payment system, adding new passenger applications and recently launching NICE MINI, the area's newest microtransit service.

In partnership with Keolis, the Massachusetts Bay Transportation Authority (MBTA) introduced $10 weekend fares for the MBTA Commuter Rail network. These fares allow for unlimited travel across the entire network all weekend and have proven popular. Along with new regional rail style schedules that feature trains at regular all-day intervals, these new fares have contributed to weekend ridership growth above and beyond pre-pandemic figures.

And, in 2017, MV Transportation ("MV") and the Los Angeles Department of Transportation launched a microtransit project in West Los Angeles to enhance mobility options in the area. Anchored to a MetroLink rail station, the service provided on-demand rides with a goal to create a cost-efficient, productive, and passenger-oriented service instead of adding a fixed route. MV and LADOT jointly developed the service and established 700 virtual stops steadily growing to 1,600 trips per month prior to the pandemic. Since then, LADOT, its technology partner and MV have continued to operate and grow the service with a 97% rider satisfaction rate at a cost lower than competing TNC service.

Just last year, Beacon Mobility saw significantly improved customer satisfaction levels that resulted in a 25% increase in passengers in less than 18 months – going from 20% below pre-COVID levels to 5% -- in an urban area where it used innovation by implementing multiple modes of transportation to create more customer-specific solutions in a market where the use of traditional service methods was compromised by driver shortages.

NATA's Recommendations

While transit agencies contract out a large portion of their paratransit service, they only contract out less than a third of fixed route service based on total number of systems or less than a quarter when comparing total potential revenue. This contrasts sharply with other countries that contract out almost all public transportation service. While contracting out may not be the best approach for every transit agency and every type of service, many transit agencies are reluctant to even consider contracting out because they have always operated service in-house with their own workforce. For these reasons, we recommend that Congress and the Federal Transit Administration (FTA) take steps to encourage transit agencies to consider whether contracting out is in the best interest of the agency and the riders. We recommend that Congress consider including the following policies in the reauthorization legislation:

(1) Transit agencies should consider whether to contract out all or a portion of their service at least annually, including various factors such as whether contracting out could lead to improved service delivery and cost efficiencies. Congress or FTA should include specific factors transit agencies should consider in making this analysis and FTA should review the analysis during its triennial review of each agency.

(2) Before cutting service, transit agencies should consider whether contracting out would enable the transit agency to continue to provide the service. To aid in the analysis, transit agencies should consider whether to solicit proposals to evaluate whether contracting out would enable it to continue service. FTA should review this analysis during its triennial review. Transit agencies do not save as much money as one might think by cutting service or mothballing equipment. Agencies tend to favor cutting weekend service, which is recovering at the strongest rate in many cities, but still need to keep and train drivers and mechanics. Buses still need to be maintained. Said another way: the amount of services cut is not proportional to the savings a transit agency realizes. Therefore, there is no downside to considering contracting out as an alternative.

(3) DOT and FTA should consider whether a transit agency contracts out as a factor in awarding discretionary grants, focusing on whether and how a transit agency proposes to contract out to operate service that will benefit from a capital project.

(4) FTA should consider whether a transit agency will contract out as a factor in assessing a transit agency's ability to operate a fixed guideway system funded under the Capital Investment Grant (CIG) program.

(5) Congress should limit liquidated damages and award incentives to no more than one percent of the annual contract value for transit operations and maintenance contracts. This will give transit agencies and contractors certainty around price impact in what is today a very competitive, low financial margin business and allow contractors to offer the best value to the agency. Transit agencies would remain able to terminate contracts for default in the event of a contract breach.

(6) We also urge Congress to ask FTA to update its Best Practices Procurement and Lessons Learned Manual", which it has not done since 2016. NATA has shared its recommendations with FTA. While many transit agencies already follow the practices we are proposing, by incorporating our recommendations in the Manual, more proposers are likely to respond to solicitations and transit agencies are more likely to receive the best value from proposers. I am going to summarize our recommendations:

   a. Transit agencies should clearly define the scope of work and performance metrics in the RFP, including expected costs to be borne by the contractor. For example, it would be very beneficial for bidders to know upfront the details of current Collective Bargaining Agreements (CBA), run cuts, performance history and liquidated damages history. This knowledge would allow bidders to ask more informed questions and seek clarifications and exceptions. Transit agencies also should allow sufficient time for proposers to develop high quality responses.

b. Transit agencies should account for the unpredictability and changing nature of public transportation by providing opportunities to negotiate changes based on unforeseen circumstances, including labor disputes, significant increases in costs and in service demand, to ensure that the recipient can attain the best value and offer public transportation to meet the needs of the community over the life of the contract.

c. Operations and maintenance contracts should be longer in length since it typically can take between 6 to 10 years for a contractor to recoup their initial investment in a contract.

d. To address upfront investment risk, transit agencies may want to consider paying start-up costs during the mobilization period (amortized through annual rates), and/or paying the unamortized value of assets and other tangible property used in the contract.

e. Transit agencies should make the exercise of an option to extend the contract term bilateral versus unilateral. Providing greater flexibility regarding negotiating option terms should result in contractors offering the most competitive prices.

f. Transit agencies should ensure liquidated damages are not punitive and bear a reasonable relationship to the impact a failure to meet a key performance indicator has on the transit agency and riders.

g. Transit agencies should include a provision in operations and maintenance contracts requiring the contractor in the event of a new procurement to provide information to the recipient regarding the number of employees who are performing services under the contract and the wage rates, benefits, and job classifications of those employees to enable the agency to share this information with other proposers. This will enable proposers to develop proposals that are appropriately priced to manage risk and provide best value to the recipient.

Conclusion

In closing, NATA members look forward to continuing to work with the Subcommittee as it develops reauthorization legislation. Thank you for the opportunity to appear before the Subcommittee today. I would be pleased to respond to any questions you may have.