



**SUBCOMMITTEE ON ENERGY POLICY,
NATURAL RESOURCES AND
REGULATORY AFFAIRS**

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Doug Ose (CA-03), Chairman

PRESS RELEASE

CONTACT: Megan Taormino
202-226-6881

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**OSE HEARING ON PRIVATE SECTOR
PARTICIPATION IN TRANSPORTATION**

WASHINGTON D.C. - Congressman Doug Ose (R-Sacramento) today held a hearing to explore the Department of Transportation's (DOT) record on maximizing private sector participation in Transportation. The Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs hearing, entitled "How Can We Maximize Private Sector Participation in Transportation? - Part II," further explored DOT's record in oversight and enforcement, focusing on mass transit and highways.

"Congress wants and Americans deserve a reliable and cost-effective transportation system, and one that does not harm existing small business operators of transportation services," Ose said. "I became especially interested in this subject in March 2003 when I learned of a public takeover in my home district. Since investigating this case, I have learned of many additional cases where DOT has failed the private sector transportation community. I was hoping to find assurance during today's hearing that we are moving in the right direction, but I'm not yet confident the DOT recognizes the severity of the situation."

Over 40 years ago, Congress enacted laws to encourage private sector participation in transportation, requiring DOT to "facilitate the development and improvement of coordinated transportation service, to be provided by private enterprise to the maximum extent feasible."

During the hearing, Ose expressed concern over DOT's private sector participation policy and several witnesses provided testimony regarding cases where DOT allowed local public transit authorities to compete unfairly with existing private mass transit service providers.

In March 2003, Ose learned of a public takeover for an over 25-year competitively awarded contract for mass transit services in Sacramento, California, which resulted in unneeded expenditure of substantial Federal funds. Ose also found evidence of non-compliance by a federally-funded local transit grantee with the Federal law requiring

private sector participation to the maximum extent feasible and also inadequate enforcement by DOT.

In August 2003, Ose asked DOT to initiate a rulemaking to ensure implementation of the statutory private sector participation requirements and to take an appropriate enforcement action against the noncompliant Federal grantee. To date, DOT has neither initiated a rulemaking nor taken an enforcement role.

In her testimony, Jennifer L. Dorn, Administrator, of the Federal Transit Administration, DOT, stated that “FTA takes seriously any complaints and every adverse finding that emerges from its regular oversight of transit grantees.” During the hearing, Ose cited several examples where FTA failed in this area. Ose expressed dissatisfaction with DOT’s record, and told Dorn, “Frankly, I am not convinced that you are taking this very seriously.”

The Subcommittee heard testimony from Tom Mack, Chairman of Tourmobile Sightseeing, a privately-owned company, which for more than 30 years has operated as a concessionaire of the National Park Service to provide interpretive transportation services to visitors in Washington, DC. Mack expressed concern over a recent proposal for the Washington Metropolitan Area Transit Authority to use Federal funding to operate a series of bus routes throughout the city, including on the National Mall. “From what I know of the proposal, it will likely squander scarce resources, it will likely worsen the already intolerable traffic congestion problems of the downtown area, and it will certainly stand as a slap in the face to the private transportation community.”

Ose assured the witnesses that, “I am watching this issue and I will continue to watch it until it’s taken care of or until I’m done, whichever comes first. I encourage you to stand your ground, while I may not be here next year, I can assure you that my colleagues share my passion for keeping government out of successful private business.”