



STATEMENT OF
JOHN BURKE
CEO OF TREK BICYCLE CORPORATION
to the
HOUSE SUBCOMMITTEE ON HIGHWAYS AND TRANSIT HEARING
on
“IMPROVING AND REFORMING THE NATION’S SURFACE
TRANSPORTATION PROGRAMS”
March 30, 2011

Subcommittee chairman Mr. Duncan, ranking member Mr. DeFazio, and committee members, thank you for the opportunity to testify today. My name is John Burke, CEO of Trek Bicycle Corporation. I’m here to speak on behalf of the U.S. bicycle industry and the Bikes Belong Coalition, our nonprofit association.

Trek is based in Waterloo, Wisconsin—a rural town of 3,000 people between Madison and Milwaukee. Our company generated more than \$800 million in sales last year and we sold 1.5 million bikes worldwide. We employ more than 1,100 people nationwide.

The U.S. bike business generates more than \$6 billion in annual retail sales.¹ Between 15-20 million bicycles are sold in the U.S. each year²—more units than cars and trucks combined.³ More than one million Americans work in bike or bike-related businesses.⁴

There are more than 4,000 independent U.S. bicycle retailers:⁵ time-tested community businesses that are often cornerstones on main street throughout America. The U.S. bike industry provides a growing number of high-paid, professional jobs in design, engineering, management, marketing, and logistics.

The federal investment in bicycling

The federal investment in bicycling is providing tremendous benefits to our nation. It is boosting our economy, making our transportation system more efficient, improving the health of Americans, and enhancing the quality of life in communities coast to coast.

Few other federal investments—if any—provide so many tangible benefits for so few dollars. Since 1999, about 1.5 percent of annual federal transportation funding has been spent on bicycling and walking infrastructure,⁶ and these dollars have provided an outstanding return by supporting 12 percent of all trips. Bicycling has become safer, more convenient and more appealing. These investments have also helped bicycling grow—in some places, dramatically.

This investment has helped the bike industry

- The federal investment in new trails and new paths has contributed to steady increases in the sales of bikes and bike equipment.⁷
- More Americans are riding bikes than ever, especially for commuting and short trips that would otherwise be made by car.⁸ Beyond the transportation, health, pollution and government budget benefits, this increase in short bike trips has helped the bike business develop a new category of bikes and equipment that is now producing significant sales.
- In Minneapolis, Trek and other leading bike companies sell seven or eight times as many bikes as we do in some similar size cities, because Minneapolis has done such a great job of building new trails and paths that make it easy and safe to ride. The federal investment has played a key role in making this possible.
- Talk with the CEO of any bike company: where riding is safe, convenient and easy, the bike business is strong and bicycling is thriving. But the benefits to the bike industry are only the beginning of this great economic story.
- Bicycle commuting has increased 64 percent nationwide in the last 20 years.⁹
- Annual bike fatalities have dropped 21 percent nationwide since the late 1980s.¹⁰
- **More than four BILLION bicycle trips—a record—were taken in the United States in 2009.**¹¹

This investment provides other economic benefits

The economic benefits of the federal investment in bicycling are not limited to the bike industry. Here are just a few examples of the ways that towns, cities, counties and states are gaining, too.

In Hattiesburg, Mississippi, \$4.5 million in Transportation Enhancements funding was spent in the year 2000 to develop the Longleaf Trace Trail. As a result, annual sales at the nearby Moore's Bicycle Shop doubled, and this has generated an additional \$175,000 in sales tax for the state.¹² The federal investment made this possible.

In my state, Wisconsin, a recent study pegged the annual economic value of bicycling at just under \$2 billion.¹³ Bike manufacturers generate \$594 million for our state, and tourism and recreation produces \$924 million in benefits.¹⁴ A \$9 million annual federal bike/ped investment in Wisconsin projects and programs has helped make this possible.

Minnesota provides similar numbers: \$481 million spent annually on bike equipment by residents, nearly 6,000 bike business jobs, and \$40.6 million per year generated in state and local taxes.¹⁵

In western Pennsylvania, more than \$40 million in annual direct spending and another \$7.5 million in wages are tied directly to the Great Allegheny Passage, a 132-mile trail. More than 25 percent of businesses along the trail are in the process of expanding.¹⁶

Back in Minneapolis, a \$7.5 million federal investment helped build the Midtown Greenway, which is now used by an average of 3,500 bike riders a day. The Greenway transports more people than 77 percent of Minneapolis city roads.¹⁷

New bike tourism success stories are being created nationwide—in urban, suburban and rural areas—as new trails and paths are enjoyed by individuals and families who spend money on lodging, food, fuel and equipment.

New bike infrastructure projects are putting lots of people to work. Recent bike infrastructure projects—for example, those in Baltimore—often create more new jobs per million dollars invested than comparable highway projects.¹⁸

The cost-effective federal investment in bicycling is helping cities and towns save money. That's why nearly every U.S. city mayor has become a major proponent of bicycling. They see more bicycling as a way to reduce road congestion and wear and tear, cut parking construction and maintenance costs, and improve the overall quality of life in their communities.

Here's a specific example:

Portland, Oregon, has spent \$57 million since 1990 to improve its bike infrastructure.¹⁹ That's roughly the cost of building a single mile of urban, four-lane highway. The city—population 600,000 with a metro area total of two million—now boasts more than 400 miles of bike lanes and paths.²⁰ The percentage of Portland residents who commute by bike has increased from less than one percent to nearly six percent.²¹ This has helped the city save money, and it is only the beginning: Portland plans to keep investing in bike infrastructure and has set a goal of 20 percent of all city trips by bike by 2020.²²

Today, mayors and governors all across the U.S. recognize that everything they do to support bicycling will ultimately save money. They need your continuing help.

Summary and comments on the next Federal Transportation Bill

In a growing number of U.S. cities and towns, the percentage of all trips made by bike now exceeds five percent.²³ In some places, this figure is more than 20,000 trips per day. That's significant—and the cost of developing safe and convenient infrastructure was small.

Bicycling is precisely the type of cost-effective investment that a fiscally challenged government should make because of the tremendous, multiple returns.

Many of these benefits are economic—for the bike industry, for bike-friendly cities and towns, and for individuals who can safely replace some short car trips with bike rides. Americans who bicycle save money, improve their health, and live more active, energetic lives. They help governments save, too, and help our nation address major societal challenges at the same time.

The federal investment has helped rural communities develop mountain bike trails and rail-trails: these routes have provided crucial tourism dollars and tax revenue.

The federal investment in bicycling not only helps people who ride bikes, but also people who don't: every time an American decides to bike instead of drive, one less car is on the road. Secretary of Transportation Ray LaHood said it well: "So, even for those folks who have no interest in bicycling, this relatively low investment actually pays dividends for those who still choose to drive. Everybody wins."

That's bang for the buck...and why I urge you to continue to provide strong federal support for bicycling. We need to continue to diversify our investment in transportation and provide options for state and local officials—and the public.

I would like to close with one specific recommendation for the next federal transportation bill: we need to maintain the integrity of the Transportation Enhancements and Safe Routes to School programs within the Highway Trust Fund. These programs are doing great things for bicycling, our communities, our businesses, and our nation.

Thank you.

¹ "Bicycle Industry Overview 2009." National Bicycle Dealers Association. Web. 28 Mar. 2011. <<http://nbd.com/articles/industry-overview-2009-pg34.htm>>.

² Ibid.

³ U.S. Department of Transportation, Bureau of Transportation Statistics. "National Transportation Statistics 2010." Table 1-17.

⁴ Outdoor Industry Foundation. "The Active Outdoor Recreation Economy." 2006.

⁵ "Bicycle Industry Overview 2009."

⁶ Federal Highway Administration. "Federal-Aid Highway Program Funding for Pedestrian and Bicycle Facilities and Programs." 2009.

⁷ "Bicycle Industry Overview 2009."

⁸ Pucher, John and Ralph Buehler. "Analysis of Bicycling Trends and Policies in Large North American Cities: Lessons for New York." Feb. 2011.

⁹ Ibid.

¹⁰ Ibid.

¹¹ U.S. Department of Transportation, Pedestrian and Bicycle Information Center. "The National Bicycling and Walking Study 15-Year Status Report. May 2010.

¹² Peel, Jeff and James Moore. "Bike Trail Boosts Business in Mississippi."

Bikeleague.org Blog, 16 Mar. 2011. Web. 28 Mar. 2011. [Optional:] <<http://www.bikeleague.org/blog/2011/03/bike-trail-boosts-business-in-mississippi/>>.

- ¹³ Grabow, Maggie, et al. "Bicycling's Economic and Health Impacts in Wisconsin." University of Wisconsin-Madison, Jan. 2010.
- ¹⁴ Ibid. p. 31
- ¹⁵ Venegas, Ernesto. "Economic Impact of Recreational Trail Use in Different Regions of Minnesota." November 2009.
- ¹⁶ Campos, Inc. "The Great Allegheny Passage Economic Impact Study." Aug. 7 2009.
- ¹⁷ Bikes Belong Coalition. "The Federal Investment in Bicycling: 10 Success Stories—Midtown Greenway." <<http://www.bikesbelong.org/top10>>.
- ¹⁸ Garrett-Peltier, Heidi. "Estimating the Employment Impacts of Pedestrian, Bicycle, and Road Infrastructure. Political Economy Research Institute, University of Massachusetts, Amherst. Dec. 2010.
- ¹⁹ Geller, Roger. "Build it and they will come: Portland Oregon's experience with modest investments in bicycle transportation." City of Portland, Oregon. Mar. 2011
- ²⁰ Ibid.
- ²¹ Ibid.
- ²² Ibid.
- ²³ Pucher, John and Ralph Buehler.