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August 6, 2010

### **House of Representatives Approves Fiscal Year (FY) 2011 Transportation, Housing and Urban Development (THUD) Appropriations Bill; Amendments to Cut Transportation Spending Defeated**

Last week, the U.S. House of Representatives passed the FY 2011 THUD appropriations bill by a vote of 251-167. The bill provides funding for U.S. Department of Transportation programs in the upcoming fiscal year. As one of only two appropriations bills to pass the House at this stage in the appropriations cycle, it is possible that the THUD bill could become the vehicle for an omnibus appropriations package later this year.

A long list of amendments cutting programs and projects were filed with the House Rules Committee prior to the bill's consideration, but the rule governing floor debate limited the number of amendments allowed to be offered. Several amendments proposed cuts to transportation programs, including transit and rail. Ultimately, all of the amendments to cut transit spending allowed under the rule were either defeated or not offered. APTA issued a Legislative Alert on these amendments and APTA member opposition helped ensure their rejection.

The bill passed by the House is essentially the bill reported out of the House Appropriations Committee on July 20, 2010. For details on the legislation, view APTA's July 23, 2010 Legislative Alert [here](#) which includes a more detailed explanation of both the House and Senate bills.

Further action on transportation appropriations will wait until the Senate returns after the August district work period. If you have any questions, please contact Paul Dean of APTA's Government Affairs Department at (202) 496-4887 or [pdean@apta.com](mailto:pdean@apta.com), or Brian Tynan at (202) 496-4897 or [btynan@apta.com](mailto:btynan@apta.com).

### **The Livable Communities Act Clears Senate Banking Committee**

On Tuesday, August 3, the Senate Committee on Banking, Housing, and Urban Affairs reported favorably S.1619, The Livable Communities Act, by a 12-10 vote. The bill statutorily authorizes the Office of Sustainable Communities within the Department of Housing and Urban Development (HUD) and authorizes the existing Interagency Partnership between HUD, the Department of Transportation (DOT), and the Environmental Protection Agency (EPA).

The bill also authorizes two competitive grant programs which would be contingent on future appropriations. A total of \$475 million over four years is authorized for the Comprehensive Planning Grant program, which would assist communities in developing comprehensive regional plans that must consider transportation needs, affordable and accessible housing, economic development, and environmental concerns.

The second competitive grant program, the Challenge Grant Program, authorizes \$2.2 billion over three years to implement projects identified as priorities in comprehensive regional plans. These grants would provide funds for projects such as public transportation improvements, support for transit-oriented development, pedestrian and bicycle enhancements, the preservation and creation of affordable housing, and to promote economic development. Communities that have not yet reached the stage of creating a comprehensive regional plan would be eligible to use targeted grant funds to update local land use, zoning, and building codes to encourage sustainable development.

Amendments adopted at the markup would permit the creation of a credit facility to provide loans and loan guarantees that support the initial infrastructure for transit-oriented development. Eligible projects include transit facilities, structured parking, environmental remediation activities, sidewalks and

bikeways.

If you have any questions about this legislation, please contact Meredith Slesinger of APTA's Government Affairs Department at (202) 496-4860 or [mslesinger@apta.com](mailto:mslesinger@apta.com).

### **Tax Legislation -- Alternative Fuels (CNG/LNG) Tax Credits and Transit Commuter Benefits Await Congressional Action**

**Alternative Fuels (CNG/LNG) Tax Credits:** As Congress departs for the summer district work period, a number of tax provisions await action. APTA has urged Congress to pass a retroactive extension of the alternative fuels tax credit refund that benefits transit agencies. The retroactive extension of the credit, which expired at the end of 2009, had previously been included in House and Senate passed versions of "tax extenders" legislation. However, recent Congressional action to extend unemployment insurance benefits led to the elimination of virtually all other tax provisions in the bill. While many in Congress support both the natural gas tax credits and other tax extenders, there has been much uncertainty about whether Congress will consider another tax bill this year. However, a spokesperson for Senate Majority Leader Harry Reid (D-NV) has indicated that the Senate will consider a large tax package in September, which would be a potential vehicle for these extension provisions.

APTA supports the retroactive extension of this credit and also the permanent extension of the credit as embodied in the New Alternative Transportation to Give Americans Solutions Act of 2009 (NAT GAS Act -- H.R.1835/S.1408). Details on that legislation can be found [here](#).

APTA members are urged contact their Representatives and Senators, particularly members of the Senate Finance Committee and House Ways and Means Committee to express support for extending the alternative fuels tax credits.

**Transit Commuter Benefits:** Last year's American Reinvestment and Recovery Act (ARRA) contained an important provision that created temporary parity between parking and transit/vanpool commuter tax benefits in the Internal Revenue Code. Under previous Federal law, employers could offer their employees an option of up to \$230/month in pre-tax parking benefits or \$120/month in pre-tax transit/vanpool benefits. Under ARRA, the transit/vanpool portion of the benefit was increased to \$230/month, treating each mode of transportation as equal. This provision is set to expire on December 31, 2010, and without an extension, the transit tax benefit would be reduced by more than half to the previous \$120/month amount. It is essential that the provision permanently equalizing the transit benefit and parking benefit be enacted this year.

#### **Tax Legislation Action Alert**

APTA members are urged to contact their Representatives and Senators and urge them to extend the Alternative Fuels Tax Credit and establish permanent parity between the Parking and Transit Commuter Benefits. When you talk to your member of Congress, please ask the following:

- Explain to your elected representatives in the U.S. House and Senate the importance of the Alternative Fuels Tax Credit to your agency's operating budget.
- Explain that federal tax law on transportation fringe benefits should treat both transit and parking fairly and equitably.
- Tell them that failure to extend the commuter benefit will effectively raise taxes on participating transit riders and employers at a time when we should be encouraging transit ridership for the environmental, energy, economic, and quality of life benefits it provides.

For additional information on alternative fuel tax credits or transit commuter benefits, contact Brian Tynan of APTA's Government Affairs Department at (202) 496-4897 or [btynan@apta.com](mailto:btynan@apta.com).

### **APTA Submits Comments to the Federal Transit Administration (FTA) on Major Capital Investment Projects (New Starts)**

In response to the FTA's request for comments on the Advance Notice of Proposed Rulemaking (ANPRM) on New Starts project justification criteria, APTA submitted its comments, which can be viewed [here](#).

For additional information on the ANPRM or APTA's comments, please contact James LaRusch, APTA's chief counsel and vice president corporate affairs, at (202) 496-4808 or [jlarsch@apta.com](mailto:jlarsch@apta.com).

### **Sign Public Transportation's National Petition to Congress!**

We're Telling Our Story to Congress and we need you to sign Public Transportation's Petition urging Congress to pass a long-term surface transportation bill that authorizes increased federal investment in public transportation. It's easy. Just go to APTA's new Telling Our Story web site and in seconds you'll be able to complete the petition letting our legislators know why transit is important to you. Next, encourage your employees, riders, and advocates also to sign the petition, which asks Congress to act now to support public transportation.

We will deliver the petition to Congress in September. This is part of APTA Chair M.P. Carter's signature Telling Our Story initiative.

This summer, member organizations are busy developing testimonials (video, photos, and print) about the benefits of public transportation for both individuals and communities.

More information is available on [www.apta.com](http://www.apta.com) or contact APTA staff Jack Gonzalez at (202) 496-4824 or [jgonzalez@apta.com](mailto:jgonzalez@apta.com) or Mantill Williams at (202) 496-4869 or [mwilliams@apta.com](mailto:mwilliams@apta.com).



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