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LEGISLATIVE Alert

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION



June 12, 2013

Congress Introduces Bills to Bring Parity to Public Transportation and Parking Tax-Benefits

Last week, Members in both the House and the Senate introduced legislation that would permanently codify the Commuter Tax Benefit at parity with the Parking Tax Benefit. Current law allows both pre-tax and tax-free fringe transit and parking benefits at a maximum of \$245 per month. However, if new legislation is not passed by December 31, 2013, the commuter benefit will plunge to \$125 per month, while the parking benefit remains unchanged. This creates a tremendous distinction between tax benefits provided to drivers and workers who commute using public transportation.

On June 6, 2013, Representative Michael Grimm (R-NY) introduced in the House of Representatives H.R. 2288, The Commuter Parity Act of 2013. Representatives Earl Blumenauer (D-OR), Peter King (R-NY), and James McGovern (D-MA) all signed on as original co-sponsors of the bill. The bill establishes permanent parity between qualified, pre-tax and tax-free fringe transit and parking benefits at a maximum of \$220 per month. At the \$220 per month level, the federal fiscal impact is neutral, meaning no additional revenue measures are necessary. The bill also allows for future cost-of-living adjustments to the benefit level.

In the Senate, Senator Charles Schumer (D-NY) introduced S. 1116, which would establish parity between the commuter and parking benefits at the current level of \$245 per month. The bill does not include a provision to offset the cost, but Senator Schumer has been a steadfast advocate of maintaining the benefit at current levels.

APTA supports efforts to establish permanent parity between the transit and parking benefits and plans to work with the sponsors of these bills to advocate for transit parity in future tax legislation.

Call to Action

APTA asks you to urge your Members of Congress to cosponsor H.R. 2288 in the House of Representatives and S. 1116 in the Senate. Particular efforts should be made to encourage Republicans to support the legislation.

House Passes Homeland Security Appropriations with Public Transportation Security Funding

On June 6, by a vote of 245-182, the House of Representatives passed the Department of Homeland Security Appropriations Act for fiscal year (FY) 2014. Included in the bill is an amendment, offered by Representative Eric Swalwell (D-CA) that ensures at least \$97.5 million will be available within the Federal Emergency Management Administration's State and Local Grants account for rail and public transportation security grants in FY2014 – a level equal to that provided in FY 2013. The appropriations bill as originally drafted provided a broad allocation for all State and Local Grants, but did not specify a level of funding for the Transit Security Grant Program (TSGP). This grant funding enables transit agencies to address much needed capital transit security improvements, as the TSGP is the public transportation industry's primary funding source for covering capitol security costs.

Prior to passage of the bill, the Office of Management and Budget issued a Statement of Administration Policy indicating that "the President's senior advisors would recommend that he veto H.R. 2217" on the basis that the Administration opposes legislation that implements the House Budget Resolution. For any legislation to gain President Obama's support and become law, it may need to be part of a broad budget and appropriations agreement between the House and the Senate.

Representatives Lipinski and Grimm Launch Congressional Transit Caucus

In late May, Representatives Dan Lipinski (D-IL) and Michael Grimm (R-NY) announced that they were organizing a new Congressional Caucus. The Congressional Public Transportation Caucus will focus on addressing the myriad issues facing all modes of public transportation across the country.

As with all Congressional Caucuses, this new, bipartisan group will create a dedicated forum, for those Members of Congress who are interested in coming together to discuss and solve the problems faced specifically by the public transportation industry. Members need not sit on a committee of jurisdiction, such as the House Transportation and Infrastructure, to join the caucus, meaning broader access for Members and their constituencies.

APTA members should ask their Members of Congress to join the caucus, with a particular emphasis on maintaining a bipartisan balance in the caucus membership.

FHWA Issues Interim CMAQ Guidance

Earlier this week, the Federal Highway Administration (FHWA) issued guidance on using CMAQ funding for operating assistance, under MAP-21. The guidance is available here, [on the Federal Highway Administration's website](#). FHWA points out that operating assistance for public transportation projects is limited to new transit, commuter and intercity passenger rail services, intermodal facilities, and travel demand management strategies.

A new phase down period is now available under the guidance, providing that the historic three years of operating assistance allowable under the CMAQ program may now be spread over a longer period, for a total of up to 5 sequential years of support. The guidance explains that grantees who propose to use CMAQ funding for operating support may spread the third year amount across an additional 2 years (i.e. years 4 and 5). This will provide an incremental, taper-down approach, while other funding is used for a higher proportion of the operating costs as needed. At the conclusion of the 5-year period, operating costs would have to be maintained with non-CMAQ funding.

DOT Notes: Demand for TIGER Grant Funding Remains Strong

The U.S. Department of Transportation (DOT) announced on Tuesday that 568 applications had been received in response to the April 26 Notice of Funding Availability (NOFA) for National Infrastructure Investments or "TIGER" Grants. These discretionary grant funds were continued in the FY 2013 Appropriations legislation and the DOT will continue to refer to the program as "TIGER Discretionary Grants," the title with which most stakeholders are familiar. As with previous rounds of TIGER, funds for the FY 2013 TIGER program are to be awarded on a competitive basis for projects that will have a significant impact on the Nation, a metropolitan area or a region.

The applications for grant money total \$9 billion – nearly 20 times the \$474 million Congress appropriated for the program in this funding cycle. [The DOT's blog Fastlane has additional information.](#)

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1666 K St., NW. Washington, DC 20006
(202) 496-4800 | www.apta.com