



February 10, 2009

The Honorable Harry Reid  
Majority Leader  
United States Senate  
S-221, The Capitol  
Washington, DC 20510

The Honorable Max Baucus  
Chairman  
Committee on Finance  
United States Senate  
219 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Daniel Inouye  
Chairman  
Committee on Appropriations  
United States Senate  
S-131, The Capitol  
Washington, DC 20510

Dear Majority Leader Reid, Chairman Inouye and Chairman Baucus:

I write on behalf of the American Public Transportation Association's (APTA) more than 1,500 member organizations to ask for your continued support for public transportation in economic recovery legislation. Investment in public transportation and high-speed and intercity passenger rail infrastructure will spur immediate job creation and help achieve critical national goals: better access to jobs for workers, reduced fuel consumption from our transportation system, and decreased greenhouse gas emissions.

As you work to complete this vital legislation, APTA would like to offer the following recommendations for conference negotiations:

- **Adopt, at a minimum, the \$12 billion level for public transportation investment contained in the House-passed economic recovery bill.**

\$12 billion of transit investment would create more than 330,000 new jobs, and increased transit investment is needed greatly. Public transportation ridership is surging across the country, increasing 6.5 percent in the third quarter of 2008 – the largest quarterly increase in the past 25 years, and there is broad support to provide new funding to meet this demand. The Nadler/DeFazio/Lipinski/Ellison/McMahon amendment adopted by the House of Representatives increased transit funding by \$3 billion, and it received strong bi-partisan support during floor debate.

With regard to public transportation investment levels, APTA recommends:

- **Retain the \$8.4 billion for transit formula grants included in the Senate bill.**
- **Provide the \$2.5 billion for New Starts/Small Starts investments included in the House bill.**
- **Provide the \$2 billion for Fixed-guideway Modernization formula grants included in the House bill.**

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Public transportation investment will be utilized quickly for much needed projects. A recent APTA survey of U.S. transit systems has identified more than \$15.9 billion of “ready-to-go transit projects that could be put under contract in less than 90 days, and APTA estimates that another \$31.9 billion could be effectively utilized by transit systems in a slightly longer timeframe (90-days to 2 years).

With regard to the use of public transportation funding, APTA recommends:

- **Allow transit systems to use a portion of economic recovery funds for operating expenses to halt employee layoffs, service cuts, and fare increases.**

Transit systems are laying off employees, cutting service and increasing fares as a result declining state and local funding that supports transit and increased transit fuel costs in the past year. Layoffs at transit systems are adding to rising levels of unemployment, and transit services should not be cut while we attempt to reduce U.S. energy consumption.

- **Remove new restrictions on transit formula funds for rural areas and smaller cities.**

The Senate bill places new restrictions on transit formula funding for recipients in rural areas and smaller cities (those with a population of less than 200,000), and the House language is open to interpretation on this point. Under SAFETEA-LU, transit formula recipients in these areas can use federal funding to pay for a portion of operating expenses. The conference report should clarify eligible activities for transit formula grants and eliminate any new restrictions.

APTA also offers the following recommendations:

- **Include no less than \$2 billion for high speed intercity passenger rail corridors as provided in the Senate bill and \$300 million for intercity passenger rail grants (Sec. 4401) as contained in the House bill.**

Demand for intercity passenger and high speed rail is at an all time high, and Amtrak ridership is higher than at any point in its history. APTA supports the above amounts for high-speed and intercity passenger rail investments alongside the \$850 million provided for Amtrak capital grants in the House bill.

- **Retain the Senate’s supplemental discretionary grant program for surface transportation only if public transportation programs receive no less than \$12 billion and high speed passenger rail investment receives no less than \$2 billion.**

APTA supports the concept of a multimodal discretionary program, but the proposed Senate program should not be funded at the expense of the New Starts/Small Starts and Fixed Guideway Modernization programs.

- **Support the \$100 million for public transportation security assistance, railroad security assistance and Amtrak security updates in the Senate bill.**

Public transportation systems in the U.S. continue to invest in security upgrades following terrorist attacks in recent years on the London, Mumbai and Madrid transit systems, and these funds would continue those efforts.

- **Retain the commuter tax benefit included in the Senate bill.**

This provision increases the monthly pre-tax commuter transit and vanpool benefits to the same level as provided for pre-tax parking benefits, up from \$120 to \$230 per month.

– **Support the \$60 million for the Ferryboat Discretionary Program in the Senate bill.**

There is strong demand for waterborne public transportation, and this funding will support needed capital investments for ferryboat services.

Thank you again for your support of public transportation’s role in economic recovery. If you have any questions, please contact Homer Carlisle of APTA's Government Affairs Department at (202) 496-4810 or email [hcarlisle@apta.com](mailto:hcarlisle@apta.com).

Sincerely yours,

A handwritten signature in black ink that reads "William W. Millar". The signature is written in a cursive style with a long, sweeping tail on the final letter.

William W. Millar  
President

WWM/tjj