AMERICAN
PUBLIC
TRANSPORTATION
ASSOCIATION

April 22, 2009

The Honorable Henry A. Waxman
Chairman
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Waxman:

On behalf of the nearly 1,500 members of the American Public Transportation Association (APTA), I ask that you closely consider the role of public transportation and high-speed and intercity passenger rail as you advance an emissions reduction strategy for the transportation sector under the "American Clean Energy Security Act of 2009" (ACESA). The transportation sector produces approximately one-third of carbon-dioxide emissions in the United States. In contrast, current public transportation use in America saves 4.2 billion gallons of fuel and prevents the emission of 37 million metric tons of carbon per year, while supporting 1.7 million jobs.

APTA strongly supports the efforts of your committee to develop comprehensive climate legislation, and we applaud the inclusion of emissions reduction goals for the transportation sector in the recent ACESA discussion draft (Sec. 841, Greenhouse Gas Emissions Reductions Through Transportation Efficiency). However, new planning requirements will be hollow without significant investment in emission-reducing transportation infrastructure that complements energy-efficient community design.

A cap-and-trade program could generate significant revenue from transportation fuels, and the public transit industry believes a significant portion of those revenues must be reinvested in emission-reducing transportation infrastructure, in addition to a consumer dividend or rebate. Without public transit investment, future growth in private vehicle travel will negate much of the emission savings from improved vehicle economy and low carbon fuel requirements. In contrast, a cap-and-trade program with investment in public transportation will produce more emissions savings and greater domestic job creation. Every $1 billion invested in federally aided public transportation capital projects supports approximately 30,000 jobs.

APTA urges Congress to dedicate no less than **10 percent** of allowance revenues created under a cap-and-trade program to investment in public transportation and other transportation infrastructure that reduces emissions. If transit ridership were more than tripled by 2020, public transportation could support 7.4 million jobs and save the country 15.2 billion gallons of fuel annually—almost as much as we currently import from the Persian Gulf. This investment would also cut 141.9 million metric tons of carbon emissions per year—about 8 percent of the total annual carbon emissions from the U.S. transportation sector.

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Public transportation investment is also needed in climate legislation to offset increases in energy-related operations costs for public transportation providers under a cap-and-trade program. Fuel and electricity are a significant component of transit agencies' operating budgets, which are funded overwhelmingly (more than 90 percent) from riders and state and local taxpayers. Transit systems are presently exempt from federal motor fuels taxes to ensure that they can provide as much service as possible, and this principle should be extended to a cap-and trade program. Without transit funding from a cap-and-trade system, public transportation systems could be forced to reduce service levels, which decreases the emissions reduction benefits of transit.

The need for new transit investment under climate change legislation cannot be understated. The Mass Transit Account of the Federal Highway Trust fund could face a shortfall before the end of Fiscal Year 2011, yet the federal government needs to invest upwards of $30 billion a year in transit in order to double transit ridership in the coming years, significantly more than the $10.2 billion a year that is currently provided. Without new funding sources, the current crisis facing California transit providers could be replicated across the nation. The state of California is implementing comprehensive planning requirements to address transportation-related emissions under the AB 32 and SB 375 legislation, but California transit systems are presently cutting service, laying off employees, and delaying or canceling major capital investments because the state has eliminated transit funding in its annual budget.

APTA strongly supports efforts to address transportation infrastructure investment needs under the ACESA legislation. The transit industry similarly supports the bi-partisan CLEAN TEA legislation (H.R. 1329). CLEAN TEA proposes dedicating 10 percent of revenues from a cap-and-trade program to address transportation-related emissions and would ensure that transportation investments produce cost-effective emissions reductions.

We appreciate the opportunity to comment on the development of this vital legislation, and we look forward to working with you. Please find attached a set of discussion principles that offers additional information on the issues discussed in this letter. If you have any questions, please have your staff contact Homer Carlisle of APTA's Government Affairs Department at (202) 496-4810 or email hcarlisle@apta.com. Thank you.

Sincerely yours,

William W. Millar

William W. Millar
President

WWM/tjj
Attachments

cc: Members of the Committee on Energy and Commerce