



June 12, 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 member organizations of the American Public Transportation Association (APTA), I write to express continued concern with the development of H.R. 2454, the “American Clean Energy and Security Act” (ACES). APTA strongly supports the robust, market-based cap on greenhouse gas emissions proposed by ACES, but the present bill overlooks the energy and emissions savings from public transportation and it potentially reduces the availability of low-cost, low-carbon transportation alternatives. APTA has advocated that the bill include allowances for transit and other low-carbon transportation alternatives. APTA hopes to work with you to strengthen the emissions reductions from the transportation sector under ACES while expanding the availability of transportation alternatives.

ACES uses emission allowances to support important investments in energy efficiency, renewable energy, and carbon capture and storage in the public and private sectors. Emission allowances are also used to provide transition assistance to critical private industries as well as individual consumers. APTA does not seek to displace these investments and allocations, but we do seek similar consideration for users of our transportation system and public transportation agencies.

The transportation sector produces approximately one-third of carbon-dioxide emissions in the United States, and transportation is responsible for approximately 70 percent of U.S. oil consumption, yet the current ACES structure will yield limited reductions in emissions and energy consumption from petroleum according to the Environmental Protection Agency’s (EPA) analysis of the bill. Immediate investments under ACES to reduce petroleum consumption in the transportation sector are needed to help the nation achieve emission reduction goals. According to the Center for Clean Air Policy, future growth in vehicle travel will negate much of the emission savings from improved vehicle economy and the development of new fuels.

Public transportation use last year prevented the emission of more than 37 million metric tonnes of carbon dioxide and saved 4.2 billion gallons of fuel. Those emissions savings are equivalent to the electricity used by 4.9 million households. A cap-and-trade program with investment in public transportation will produce greater emissions savings and spur domestic job creation. Every \$1 billion invested in federally aided public transportation capital projects supports approximately 30,000 jobs. APTA hopes that future iterations of ACES will recognize these contributions.

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At the minimum, ACES investment in public transportation and transportation infrastructure is needed to help reimburse transportation users for revenue lost to the Federal Highway Trust Fund (HTF), including the Mass Transit Account, and to provide transition assistance to public transportation providers. The sale of emission allowances from fuel consumed for road and highway use will generate approximately \$20 to \$30 billion annually by 2015 according to preliminary EPA modeling data, but none of these revenues will be reinvested in improving our transportation system. According to the U.S. Census Bureau, only about half of Americans have access to transit services. Our nation's commuters need more travel options that reduce emissions and save them money. Riding transit can save an individual an average of \$8,691 a year based on recent average gas, parking and other costs associated with owning a car.

At the agency level, transit providers spend more than \$3 billion annually on fuel and electricity, primarily for passenger operations. These expenses are a significant component of an agency's operating budget, and transit operations are funded overwhelmingly, more than 90 percent, from passenger fares and state and local contributions. As energy prices rise, ACES should invest in transit services in the form of transition assistance and energy efficiency grants to prevent future service cuts, fare increases and employee layoffs. ACES should help expand the availability of high quality public transportation service, but the current bill would diminish the ability of transit agencies to expand operations.

APTA applauds the inclusion of emissions reduction goals for the transportation sector in ACES (Sec. 222, Greenhouse Gas Emissions Reductions Through Transportation Efficiency), and we believe that these goals can be successfully merged with existing transportation planning requirements under Titles 23 and 49 of U.S. Code to allow for a streamlined planning process based on collaboration between U.S. DOT and EPA. However, planning requirements will be hollow without significant new investment in transportation infrastructure and public transportation.

We hope to work with you as this vital legislation advances. 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 Millar
President

WM/tjj

cc: The Honorable Nancy Pelosi, Speaker, U.S. House of Representatives
The Honorable Steny Hoyer, Majority Leader, U.S. House of Representatives
The Honorable James L. Oberstar, Chairman, House Committee on Transportation and Infrastructure
The Honorable Edward J. Markey, Chairman, Subcommittee on Energy and Environment, House Committee on Energy and Commerce