AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

September 22, 2009

The Honorable Jim Oberstar
Chairman
House Committee on Transportation & Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Oberstar:

On behalf of the American Public Transportation Association (APTA) and its more than 1,500 member organizations, I write to share our views on the authorization of the next surface transportation law as the expiration of the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) approaches.

APTA strongly supports the swift passage of a full, six-year authorization bill at the earliest date possible. Only a long-term authorization bill provides the financial stability and funding predictability that is necessary for transit systems and businesses to plan for the future and develop major capital projects. APTA has recommended that the next authorization bill increase federal investment in public transportation to more than $123 billion over a six-year period, provide separate funding for a new high-speed passenger rail program, and make a number of policy changes to improve federal public transportation programs. However, we recognize that the passage of a full multi-year authorization bill is probably not possible within the next two weeks, and that an extension of current law will therefore likely be necessary.

As your committee develops legislation to extend surface transportation authorizing law, we urge you to avoid the multiple month-to-month extensions that occurred during development of SAFETEA-LU which negatively impact transit systems and transit-related businesses alike. It is also important that even a short extension bill authorize growth in the federal program for public transportation investment and include provisions that ensure the expeditious distribution of funds it authorizes during the extension period. Timely apportionment and distribution of available funds is needed so that agencies can carry out ongoing capital programs and derive the economic stimulus in the private sector that results from such investments.

In recent years, the Congress has steadily increased investment in public transportation. These increases have been critical for expanding and maintaining our nation's transit infrastructure, and have helped to produce historic growth in public transportation ridership. For our transit systems to continue to meet the growing ridership demand, and to maintain safe, efficient operations, it is critical that growth in the federal program continue – particularly at a time when state and local resources are diminishing. A long term "flat-line" of the federal transit program would have a devastating effect on transit system budgets and businesses that serve transit, resulting in service reductions, lay-offs and the cancellation or delay of much-needed capital projects that generate jobs and economic benefits. We urge you to authorize increases at the 20 percent annual growth in federal transit investment recommended by APTA.

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To accommodate growth in the federal transit program during any extension period, it is also important that Congress ensure the solvency of the Mass Transit Account (MTA) of the Highway Trust Fund (HTF). The latest trust fund balance projections released by the Congressional Budget Office (CBO) indicate that the MTA could be insolvent as soon as the end of fiscal year 2011. However, these projections also assume reductions in outlays from the MTA that are unrealistic. The MTA could become insolvent even sooner. Therefore it is critical, particularly in the case of a long-term extension, that additional revenues be deposited into the trust fund so that federal funding commitments can be honored.

Also, under any extension scenario, APTA urges Congress to give careful consideration to industry priorities and recommendations for funding balance among the various transit accounts. We note that fiscal year 2010 appropriations bills already approved by each House and now in conference, statutorily set funding levels for major program categories but allocate funding for individual programs with report language. We are concerned that both bills reduce funding for the bus and bus facilities program. APTA's recommendations for the next authorization bill call for the distribution of bus and bus facilities funds under both a discretionary and formula mechanism, but those recommendations also seek to preserve the roughly 40/40/20 funding split among new starts, rail modernization, and bus and bus facilities programs in current authorizing law. In any case, it makes no sense to reduce funding for any current program, as the appropriations bills would do with the bus and bus facilities program. APTA strongly believes that investment needs for all current transit programs exceed existing resources and that funding for all areas of public transportation should be increased. Historically, while APTA has always sought to grow transit investment, it has always maintained that growth in one transit program should not come at the expense of cuts in another.

Thank you for your consideration of these important issues. APTA looks forward to working with you on enacting authorization legislation that will support the continued growth of public transportation in America. If you have any questions, please contact Paul Dean of the Government Affairs Department at (202) 496-4887 or email pdean@apta.com.

Sincerely yours,

William Millar

William Millar
President

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