



November 6, 2009

The Honorable Max Baucus
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510-6200

Dear Chairman Baucus:

On behalf of the American Public Transportation Association (APTA) and its 1,500 member organizations, I write to urge you to extend the federal excise tax credits for alternative fuels and related infrastructure, especially as it pertains to liquefied or compressed natural gas (LNG/CNG). It is critical that these provisions be extended before they expire on December 31, 2009.

These provisions of the Internal Revenue Code provide important offsets to transit agency fuel and operating costs, which support improved transportation services and in turn, assist in job retention. In addition, the tax credits encourage increased use of LNG/CNG, which will continue to improve air quality and lead to further carbon emission reductions. These tax credits allow providers of public transportation to meet an increased demand for services (10.7 billion rides in 2008, a modern record), while meeting the national goals of improving the environment and meeting our long-term strategy for energy security.

While APTA supports the permanent extension of these tax credits, I also wish to express APTA's support of S. 1408, the New Alternative Transportation to Give Americans Solutions Act of 2009. The legislation would extend through 2019 the 50 cent per gasoline gallon equivalent (gge) tax credit for natural gas (both CNG and LNG). It would also extend and expand the tax credits for the fueling infrastructure necessary to facilitate CNG utilization, and would encourage the development, production, and utilization of alternative fueled vehicles. Public transportation agencies that utilize natural gas for a portion or all of their fleet fueling needs have experienced significant budget savings from this provision. Lower fueling costs enable improvements elsewhere in an agency's service and operations.

APTA has long advocated for the extension of this tax provision that improves the affordability and diversity of agency fueling options. If you have questions about these views, please have your staff contact Brian Tynan of APTA's Government Affairs Department at (202) 496-4887 or email btynan@apta.com.

Sincerely yours,

William Millar
President

WM/tjj

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