



January 28, 2010

The Honorable Richard Durbin
Majority Whip
United States Senate
309 Hart Senate Office Building
Washington, DC 20510

The Honorable Byron Dorgan
Chairman
Democratic Policy Committee
322 Hart Senate Office Bldg
Washington, DC 20510

Dear Senators Durbin and Dorgan:

On behalf of the more than 1,500 member organizations of the American Public Transportation Association (APTA), I ask for your continued support for public transportation investment in legislation to advance job creation. The investment in transit and high-speed passenger rail in the American Recovery and Reinvestment Act (ARRA) has produced significant employment and economic activity, but additional investment can support even more American jobs while improving some of our country's most important transportation assets. As you work to shape a new jobs bill, we offer the following recommendations:

- **Expand and continue job creation from transit investment in ARRA by providing similar investment in new legislation.**

ARRA investment has helped transit systems repair and upgrade deteriorating facilities, construct much-needed new infrastructure and avoid or limit layoffs. ARRA is also helping agencies replace more than 12,000 aging buses and railcars with new domestically-produced, environmentally-friendly vehicles. To continue this work, we urge Congress to provide further investment.

At present, no ARRA funding remains available for new projects. Of the \$8.4 billion provided for public transportation in ARRA, 99 percent of the funds have been committed to grants. The Federal Transit Administration (FTA) has approved grants for 86.4 percent of the available funds: \$7.2 billion for 695 grants. Work is underway on most of these projects and will start shortly on projects under recently approved grants. In addition, 224 grants valued at \$1.06 billion, another 12.8 percent of available transit funding, are under review for final approval. Work will start on these projects soon.

We greatly appreciate the transit investment under ARRA, but without a long-term authorization bill for surface transportation programs or a new jobs bill, the contractors and suppliers that provide goods and services to public transportation systems will not hire additional workers. Instead, they will begin laying workers off as ARRA projects are completed. APTA recently conducted a survey of transit systems which identified more than \$15 billion of additional projects on which work could begin this year. If funded, these projects would support or create more than 450,000 jobs according to economic research on public transportation investment.

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– **Provide more funding for public transportation operations.**

More than 80 percent of public transit systems experienced flat or decreased funding from local, regional, and state funding sources last year. As a result, many transit systems are being forced to lay off employees, cut back service and/or eliminate routes. Public transportation systems were allowed to use up to 10 percent of ARRA funding for operating expenses, an exception to current grant rules. This special flexibility has allowed many systems to forestall job cuts and service elimination. Unfortunately, the available funding for operations is being rapidly exhausted. New jobs legislation should make a larger percentage of new funding eligible for operations.

If transit systems are allowed to use a greater portion of funding for operating expenses in a jobs bill, the flexibility will permit the recall of laid off workers, preserve good paying jobs for their employees, maintain service levels, and continue to help millions of Americans get to their own jobs. Operations funding can be committed to grants in a matter of days and put to use immediately. Operations funding also creates or maintains more jobs than capital investment alone.

– **Continue the development of high-speed passenger rail.**

APTA strongly applauds the commitment under ARRA to the development of high-speed passenger rail in the U.S. Our transportation system will remain incomplete until it includes world-class intercity and high speed rail services. Employment growth in the domestic rail industry is beginning and will be key component of America's economic future, providing hundreds of thousands of forward-looking, green collar jobs. To realize this vision, we urge additional funding for high-speed passenger rail in a jobs bill.

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

Sincerely yours,



William Millar
President

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