



November 28, 2011

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

The Honorable Orrin G. Hatch
Ranking Member
Senate Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Baucus and Senator Hatch:

On behalf of the more than 1,500 members of the American Public Transportation Association (APTA), I write to express our strong support for the extension of tax provisions important to public transportation agencies and their riders as well as businesses in the private sector.

APTA urges the committee to permanently extend the mass transit commuter tax benefit at the level equivalent to the monthly parking benefit, as originally enacted under the American Recovery and Reinvestment Act of 2009 (ARRA) which established parity with the tax-free parking benefits available to commuters who drive. This provision was extended for one year and now expires on December 31, 2011. Both employees who commute via transit and their employers see a reduction in their tax liability as a result of this provision. Failure to extend the commuter benefit will effectively raise taxes on participating transit riders and employers at a time of economic uncertainty. Furthermore, federal tax law should not show a bias for one means of commuting over another. Legislation to permanently equalize the transit and parking benefits – the Commuter Benefits Equity Act of 2011 (S.1034) – has been introduced by Senator Charles Schumer.

The public transportation industry also seeks the extension of the alternative fuels tax credit. We strongly urge the committee to advance the extension of this important tax credit in Senate tax legislation at the earliest opportunity. The uncertainty surrounding the extension of this provision has the potential to discourage future investment in natural gas fleets and the fueling infrastructure necessary to support them. Further, transit agencies that have committed investments to natural gas fleets have counted on the tax credit being in place and the uncertainty is affecting operating budgets at a very difficult financial time for these agencies. The extension of the tax credit will improve the affordability and diversity of agency fueling options, demonstrating a

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national commitment to a long-term strategy for energy security, while also reducing the emissions of harmful greenhouse gases.

Thank you for your consideration of our views. If you should have any questions, please have your staff contact Brian Tynan, Director-Government Relations at (202) 496-4897 or email btynan@apta.com.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Michael P. Melaniphy".

Michael P. Melaniphy
President & CEO

MPM/tjj