



November 14, 2013

The Honorable Patty Murray
Chairman
Senate Committee on the Budget
United States Senate
624 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Paul Ryan
Chairman
House Committee on the Budget
United States House of Representatives
207 Cannon House Office Building
Washington, DC 20515

Dear Senator Murray and Representative Ryan:

On behalf of the 1,500 member organizations of the American Public Transportation Association (APTA), I urge the Conference Committee to take into account the looming revenue shortfall of the Highway Trust Fund (HTF) and Mass Transit Account (MTA) during the current discussions on the federal budget.

At the end of the current Fiscal Year, the ability of public transportation agencies and state Departments of Transportation (DOT) to incur new obligations will be severely limited, when incoming HTF/MTA revenues and the cost of prior Fiscal Year obligations result in a near-zero balance in the HTF. While agencies and DOTs will be able to fund obligations already incurred, they will be forced to make very difficult choices as they attempt to plan or contract for future projects, including basic maintenance and operations, as well as expansion and modernization. States and local governments are ill equipped to simply pick up the shortfall in Federal funding, which accounts for a significant portion of total transportation revenues. The immediate impacts of a halt in project development and construction are job losses, further growth of the existing \$78 billion backlog of the federally-identified state of good repair projects, and the inability of public transit systems to meet service demands. Reduced investment toward the state of good repair backlog would affect the reliability and performance of service transit agencies are able to provide. Funding cuts would translate to service cuts, as agencies focus their constrained resources on maintaining safe service on limited or less frequent lines. Should the situation lead to service cuts, congestion will increase, the mobility options of all Americans for employment or personal travel will suffer, and economic productivity will decline.

At a time when America's infrastructure is crumbling and more, not less, investment is needed to ensure that our economy remains competitive, the cessation of even the most basic infrastructure investments will have detrimental effects across industries. We understand that the current budget discussions will be a framework for revenue and spending decisions to come, but given the importance of infrastructure investment, we ask that you recognize the short-term problem we face in FY 2015, while you also lay the groundwork for addressing the long-term financial stability of the HTF/MTA. The gas tax was last raised in 1993, and inflation has reduced the purchasing power of fuel taxes by more than thirty-seven percent - leading Congress to direct transfers from the General Fund to the HTF in order to sustain flat program spending levels. Even then, current funding levels do not provide public transportation agencies with adequate resources to bring systems into a state of good repair, and roads and bridges across the country are continuing to deteriorate. A long-term solution is ultimately required if we are to return to making the long-term infrastructure investments that our economy requires.

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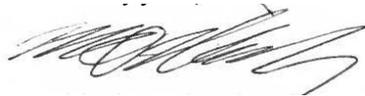
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Given the clear need, it is critical that the Conferees help find a solution to the ongoing HTF/MTA revenue problem. The impending slowdown in surface transportation spending, which would begin well before the end of this current Fiscal Year, will have long-lasting negative, but avoidable effects, forcing the shutdown of projects already underway that are needed to both maintain a state of good repair and build capacity for millions of new public transportation riders. We urge the committee to find a solution to this critical problem.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael P. Melaniphy". The signature is fluid and cursive, with a prominent loop at the end.

Michael P. Melaniphy
President & CEO

MPM/bt