



August 31, 2007

The Honorable John Olver
Chairman
Subcommittee on Transportation, Housing
& Urban Development, & Related Agencies
House Committee on Appropriations
2358 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Olver:

I write to express concerns about the U.S. Department of Transportation (U.S. DOT) decision to allocate virtually all of the fiscal year (FY) 2007 discretionary spending authority under the \$5309 Bus and Bus Facilities Program for the Urban Partnership Congestion Initiative. As you know, the final FY 2007 Continuing Resolution (H.J.Res.20) provided the Federal Transit Administration (FTA) with an unusually large amount of discretionary resources, including \$438 million under the \$5309 Bus and Bus Facilities Program.

While members of the American Public Transportation Association (APTA) recognize the potential benefits of projects funded under the Urban Partnership Congestion Initiative, we do not believe that these projects should be funded at the expense of much needed capital investment for buses and bus facilities across the nation. Numerous transit systems, both large and small, depend on this federal capital assistance to replace aging buses, expand bus fleets to meet growing service demands, and address needs for vehicle maintenance and fueling facilities.

Separately, many APTA members are concerned with the process that resulted in U.S. DOT's decision to dedicate so much of the funding under the Bus and Bus Facility program to the Urban Partnership Congestion Initiative. Although FTA solicited competitive grant applications under the Bus and Bus Facilities program to support the objectives of the Urban Partnership Congestion Initiatives program, it also solicited grant applications from transit systems throughout the nation under the normal bus and bus facilities program. FTA's Notice of Funding Availability of March 23 said: "The \$438 million available to FTA for discretionary allocation in FY 2007 will be allocated to projects submitted in response to this notice and the Congestion Relief notice published separately in this Federal Register." As a result, a large number of APTA's member agencies submitted applications for grants in response to the notice. Transit agencies applied in good faith, using their own funds to develop applications, expecting FTA to conduct a competitive evaluation that considered the broad range of deserving projects. While we recognize that FTA made clear its intention to use some of these funds for the Urban Partnership Congestion Initiative, many transit systems spent considerable time and energy preparing applications for eligible funding under the program, and it does not appear that these needs were given serious consideration.

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While APTA supports many of the concepts embodied in the Urban Partnership Congestion Initiative, including congestion pricing as a means to increase urban mobility and provide new transit and highway investment, we question funding any single federal initiative at the expense of existing programs and clear needs. Looking ahead to the FY 2008 Transportation, Housing and Urban Development, and Related Agencies appropriations bill, if Congress chooses to provide large amounts of discretionary funds to U.S. DOT, APTA strongly urges Congress to provide clear direction to U.S. DOT and FTA to distribute funding in a manner that addresses the diverse investment needs of public transportation systems throughout the nation.

We thank you for your consideration of APTA's views. If you have questions about these issues, please have your staff contact Rob Healy of APTA's Government Affairs Department at (202) 496-4811 or email rhealy@apta.com.

Sincerely yours,

A handwritten signature in black ink, appearing to read "William W. Millar". The signature is fluid and cursive, with a long horizontal stroke at the end.

William W. Millar
President

WWM/tjj