

RICHARD SHELBY, ALABAMA, CHAIRMAN

ROBERT F. BENNETT, UTAH
WAYNE ALLARD, COLORADO
MICHAEL B. ENZI, WYOMING
CHUCK HAGEL, NEBRASKA
RICK SANTORUM, PENNSYLVANIA
JIM BUNNING, KENTUCKY
MICHAEL CRAPO, IDAHO
JOHN E. SUNUNU, NEW HAMPSHIRE
ELIZABETH DOLE, NORTH CAROLINA
LINCOLN D. CHAFFE, RHODE ISLAND

PAUL S. SARIBANIS, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
TIM JOHNSON, SOUTH DAKOTA
JACK REED, RHODE ISLAND
CHARLES E. SCHUMER, NEW YORK
EVAN BAYH, INDIANA
ZELL MILLER, GEORGIA
THOMAS R. CARPER, DELAWARE
DEBBIE STABENOW, MICHIGAN
JON S. CORZINE, NEW JERSEY

KATHLEEN CASEY, STAFF DIRECTOR AND COUNSEL
STEVEN B. HARRIS, DEMOCRATIC STAFF DIRECTOR AND CHIEF COUNSEL

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-3075

May 12, 2003

The Honorable Charles Grassley, Chairman
The Honorable Max Baucus, Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Grassley and Ranking Member Baucus:

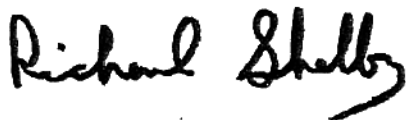
As the leaders of the Committee with jurisdiction over the public transportation program, we write to express our objection to a proposal which would significantly alter public transportation financing that we understand is under consideration at the Finance Committee.

Since 1981, funding for the federal public transportation program has been linked with the federal highway program to form a cohesive and integrated surface transportation program. Any proposal to reduce the 2.86 cents per gallon currently flowing into the Mass Transit Account of the Highway Trust Fund conveys the erroneous belief that highway users do not benefit from the availability of public transportation options. In fact, not only does the American Public Transportation Association support the existing split of gas tax revenues, but additionally the American Road and Transportation Builders Association and the American Association of State Highway and Transportation Officials – organizations which have advocated for more highway funding – also support it. Decoupling the two programs would be counterproductive to building upon the historically successful coordinated intermodal transportation program.

It is our understanding that the proposal would replace the usurped tax revenues with some type of bonding scheme. We question the feasibility of such a scheme and would oppose any change in financing that threatens the long term viability of the transit program. TEA-21 and its legislative predecessors have demonstrated that there is great value in the predictability of funding that comes from guarantees. Multi-year planning of the type of large scale investments funded through the Mass Transit Account can be more cheaply and efficiently constructed if there is reliability in the funding stream. Financial uncertainty would unfairly favor highway projects over transit projects if for no other reason than that communities would gravitate toward constructing projects with more stable funding than a risky, untested bonding scheme could produce.

As such, you can anticipate that any effort to divert the historic share of gas tax revenues that transit currently benefits from will be met with strong resistance from the Committee and the many members of the United States Senate whose communities rely on transit funding to meet growing transportation needs.

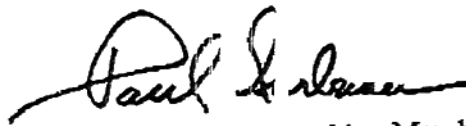
Sincerely,



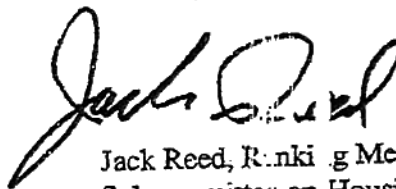
Richard C. Shelby, Chairman



Wayne Allard, Chairman
Subcommittee on Housing
and Transportation



Paul S. Sarbanes, Ranking Member



Jack Reed, Ranking Member
Subcommittee on Housing
and Transportation