May 1, 2012

The Honorable Pat Tiberi  
Chairman  
U.S. House of Representatives Committee on Ways & Means  
Select Revenue Measures Subcommittee  
1136 Longworth House Office Building  
Washington, DC 20015

The Honorable Richard Neal  
Ranking Member  
U.S. House of Representatives Committee on Ways & Means  
Select Revenue Measures Subcommittee  
1136 Longworth House Office Building  
Washington, DC 20015


Dear Chairman Tiberi and Ranking Member Neal,

On behalf of TransitCenter, Inc. and more than 2.7 million users of the transit portion of the commuter benefit nationwide, I write in support of testimony offered by Congressman Michael Grimm and Congressman James McGovern urging the Committee to include legislation to restore parity between the transit and parking portions of the commuter benefit as part of the next tax extenders bill advanced by Congress. In addition, I submit for the record a letter delivered to the Congressional leadership in February and signed by 30 interested organizations in support of this issue. This letter is attached below.

Beginning January 1st, 2012, transit riders who use the transit portion of the commuter benefit saw the cost of their commute rise because the monthly cap on the transit benefit was reduced from $230 per month to $125 per month -- almost a 50% drop. Meanwhile, people who drive to work and park their car received an increase in their monthly benefit from $230 month to $240 month. Congress’ failure to pass legislation to extend parity between the transit and parking benefit at the end of 2011 is the equivalent of pursuing a policy that rewards drivers and punishes transit riders. This is particularly perplexing in light of rising gas prices – we should be rewarding use of public transportation.

If Congress does not act quickly, millions of transit and vanpool riders will continue to be taxed more than their fellow commuters who drive to work. This inequity will force many commuters out of trains, buses, and vanpools, and back into their cars which will only lead to increases in congestion, fuel consumption, lost production and wasted time that could be spent with their family. Transit operators are already reporting a drop in ridership since January. Restoring parity is especially important as more and more commuters turn to transit as a means to cope with high gas prices.

The transit benefit also provides small businesses and job creators with a financial incentive to help their employees increase their disposable income. This is a perfect example of how targeted and
effective federal policy can provide employers with an opportunity to help their employees save money on their commute, while saving employers money that can be reinvested in their businesses to create new jobs. Congress should not continue to promote a policy that hurts businesses that are doing the right thing by providing their employees with transportation alternatives.

Rewarding those who drive to work while penalizing those who use public transportation is having a profound impact on millions of Americans who take transit every day – in all parts of the nation. While the majority of commuters who use the transit benefit reside in urban or suburban areas, many commuters in rural areas that use van pools rely on the transit benefit as well. Indeed, this inequity hits commuters in rural and outlying suburban areas the hardest, because they face the most expensive commutes. In addition, by encouraging commuters to use public transportation more frequently, and drive to work less, the transit benefit helps all Americans – by reducing congestion, reducing our reliance on foreign fuel imports, and preserving the environment.

Thank you for the opportunity to contribute to this important hearing, and taking this letter and testimony into consideration as you work to address important tax issues in the coming months.

Sincerely,

Paul J. Dean
TransitCenter, Inc.
In the coming days, Congress will have the opportunity to take action to restore parity in the parking and transit portions of the commuter benefit as it considers important tax and transportation related
legislation. As you work to address many of the important issues that face our nation, we urge you to not to forget the more than 2.7 million commuting Americans that rely on the transit commuter benefit and work to pass legislation that will ensure that transit riders can continue to afford their commute to work.

Sincerely,

U.S. Chamber of Commerce
Amalgamated Transit Union
American Public Transportation Association
Association for Commuter Transportation
Chicago Transit Authority
The Commuter Benefits Work for Us Coalition
The Community Transportation Association of America
Edenred USA
Employers Council on Flexible Compensation
GVF
Los Angeles County Metropolitan Transportation Authority
METRA (IL)
Metropolitan Transportation Commission – San Francisco Bay Area
National League of Cities
New York Metropolitan Transportation Authority
Parsons Brinckerhoff
Regional Transportation Authority (IL)
Regional Transportation Commission of Washoe County
San Francisco Metropolitan Transportation Authority
San Mateo County Transit District
Santa Clara Valley Transportation Authority
Southeastern Pennsylvania Transit Authority
Smart Growth America
TransitCenter, Inc.
Transportation for America
U.S. Conference of Mayors
Utah Transit Authority
VPSI
WageWorks
Washington Metropolitan Area Transit Authority

CC: The Honorable Harry Reid, Senate Majority Leader
The Honorable Mitch McConnell, Senate Minority Leader
The Honorable John Boehner, Speaker of the House
The Honorable Nancy Pelosi, House Minority Leader
The Honorable Max Baucus, Chairman, Senate Finance Committee
The Honorable Orrin Hatch, Ranking Member, Senate Finance Committee
The Honorable David Camp, Chairman, House Ways & Means Committee
The Honorable Sander Levin, Ranking Member, House Ways & Means Committee