

June 25, 2008

A New Direction for Energy Independence: Reduced Public Transit Fares for Commuters Pinched at the Pump

Key Points:

- **The Democratic-led Congress is moving America in a New Direction for Energy Independence—working for consumers to lower gas prices, make America more secure, create hundreds of thousands of green jobs, and reduce global warming.**
- **The House will consider H.R. 6052, which gives grants to mass transit authorities to reduce public transit fares giving consumers a cost-effective alternative to \$4 per gallon gasoline. The bill's \$1.7 billion in mass transit grants for the next two years could also be used to expand transit services and for the escalating operating costs of public transportation and would be available to both rural and urban areas.**
- **Mass transit systems are strained in having to pay the same record fuel prices as consumers, as well as meeting increased ridership, at a time when a slowing economy means lower tax receipts and less money for transit.**
- **Transit agencies are paying 44 percent more than last year for diesel fuel. Almost half of bus operators and more than two-thirds of rail operators have increased fares. About one-fifth are cutting services. About 40 percent of bus operators and 30 percent of rail operators are canceling or delayed planned service upgrades due to fuel costs. [American Public Transit Association, 5/27/08]**
- **In 2007, Americans took the most public transit trips in 50 years, and in the first three months of 2008, Americans took almost 85 million more transit trips than in the same period last year.**
- **Public transportation provides an affordable alternative to driving, saving the average household \$6,251 every year, and reduces dangerous carbon dioxide emissions by more than 4,800 pounds per year per person, and yet nearly half (46 percent) of the population has no access to public transit.**
- **The bill enjoys widespread support from consumer groups, state and local governments and transit agencies, and environmental organizations.**
- **Seven years of the Bush-Cheney addiction to oil, providing even greater taxpayer subsidies to the Big Oil companies already earning record profits, and refusing to diversify our energy sources — with bold investments in renewable energy and more efficient technology—have left American families and businesses reeling from record gasoline prices, America dangerously dependent on foreign oil, and our economy on the brink of recession.**

On Thursday, the House will take up H.R. 6052, Saving Energy Through Public Transportation Act. The bill provides \$1.7 billion in mass transit grants over two years to reduce fares for public transit use, to give consumers a cost-effective alternative to \$4 per gallon gasoline. These funds could also be used to expand transit services and for operating costs and will be distributed under current urban and rural transit formulas.

The bill also:

- Requires that all Federal agencies offer their employees transit pass transportation fringe benefits. Right now, federal agencies within the National Capital Region have successful transit pass benefits programs.
- Increases the Federal cost-share of grants for construction of additional parking facilities at the end of subway lines from 80 to 100 percent to cover an increase in the number of people taking mass transit.
- Creates a pilot program for vanpool demonstration projects in urban and rural areas.
- Increases federal help for local governments to purchase alternative fuel buses, locomotives and ferries from 90 to 100 percent.