

Public Transit Advocates Decry Proposed Elimination of Dedicated Funding

By Nathan Hurst, CQ Staff

A proposal to eliminate dedicated funding for public transportation from fuel tax receipts would end a three-decades-long détente on the spending issue.

The move also threatens the House GOP’s transportation bill ([HR 7](#)) with yet another major objection from a key stakeholder group. American Public Transportation Association President Michael Melaniphy said the policy change would “undo nearly 30 years of overwhelming bipartisan support for dedicated federal investment in public transit.”

Melaniphy said his group was “strongly opposed” to the financing bill ([HR 3864](#)) that House Republican leadership hopes will provide upward of \$90 billion to bridge the gap between expected Highway Trust Fund fuel tax receipts and the \$260 billion cost of the five-year legislation.

The House Transportation and Infrastructure Committee plunged ahead Thursday with a contentious markup of the policy bill, while the Ways and Means Committee will mark up the financing piece on Friday. That bill includes the language that has drawn objection from public transit advocates.

The Ways and Means bill would delete the dedicated Mass Transit Account of the Highway Trust Fund and also get rid of the 2.86 cents per gallon that is currently siphoned into the Mass Transit Account from motor fuel taxes, forcing transit programs to rely entirely on appropriations from the general fund.

The provision in the bill would de-link transit from what has been a highly reliable funding stream — only about 20 percent of annual federal transit funding now comes from the general fund.

Instead, the bill would set up a one-time, \$40 billion transfer from the general fund into a new “Alternative Transportation Account” inside the Highway Trust Fund, which would house transit spending and some other items. How exactly that \$40 billion would be offset remains to be seen.

The Transportation panel’s bill would still authorize about \$8.4 billion annually in contract authority for formula transit grants, but without a dedicated funding stream and additional spending subject to politically difficult offsets, transit advocates are nervous about funding becoming unpredictable.

If the House bill were enacted into law, it would be the first time since the administration of Ronald Reagan that mass transit wouldn’t receive at least a portion of motor fuels taxes. Congress created the Mass Transit Account and funded it with a penny per gallon diverted from motor fuel taxes as part of the Surface Transportation Assistance Act of 1982 ([PL 97-424](#)).

Transportation for America Director James Corless said his group was “deeply concerned that if this measure passes, Americans who use public transportation, or who would like that option in the future, will be thrown under the bus.”

Also opposing the proposed changes in transit funding is the American Association of State Highway and Transportation Officials.

Aides to Democrats said they plan to offer amendments at the Ways and Means Committee markup on Friday to counter the language