



Association for Commuter Transportation



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Advancing Transportation Demand Management

The **Association for Commuter Transportation** is the premier Transportation Demand Management (TDM) advocacy organization in the United States; supporting the education and development of over 1,000 professionals at private companies, state and local government, non-profits, and service providers.

ACT strives to get the most out of our transportation system while **improving the lives of commuters**, increasing the **livability of communities**, and supporting the **economic growth of businesses** creating...

ACT Members Include:

- Fortune 500 companies
- Universities & Hospitals
- State/Local/Regional Governments
- Regional Transit Authorities
- Mobility on Demand Providers
- Metropolitan Planning Organizations
- Transportation Management Associations

... a Better Journey for Everyone!

Effective TDM Measures

- Qualified Transportation Fringe Benefit
- Public Transit & Ridesharing
- HOV/HOT Lanes
- Effective Regulations & Land Use Planning
- Parking Management
- Telecommuting
- Targeted Marketing & Education
- Bicycle & Pedestrian Infrastructure

Commuting by the Numbers

- 130 million commuters
- 76% drive alone to work
- 52 hours of delay/year/commuter
- \$124 billion cost of congestion
- 26% of GHG emissions from transportation



Benefits of TDM

Transportation Demand Management (TDM) means the acts of creating a most efficient multi-modal transportation system that moves people with the goal of reducing congestion, improving air quality, and stimulating economic activity.

Real Options for Commuters

Transportation Demand Management programs and policies aim to provide commuters with a mix of reliable and affordable transportation options. Supported with effective marketing and advanced technologies, commuters can make informed choices to meet each trip's unique needs, while considering cost, time, and convenience.

Reduced Traffic Congestion

With even a small reduction in the number of single occupancy vehicles on our nation's roads, commuters can see significant reductions in congestion. TDM supports the most efficient use of our existing infrastructure by increasing per person throughput and allowing more people to use our infrastructure.

Improved Public Health and Safety

With reduced reliance on personal vehicles, our communities will see cleaner air leading to direct improvements in public health. TDM initiatives that support increased levels of walking and cycling also enhance overall quality of life; and more people on our streets and sidewalks will create safer neighborhoods.

Connecting People to Jobs & Supporting Economic Activity

With more commuting options and less traffic, people will have better and more reliable access to jobs. Businesses will see increased productivity from employees who spend less time stuck in traffic; and products will move quicker to market.



ACT Principles for Surface Transportation Authorization

In 2015, Congress adopted the first long-term surface transportation law in more than a decade, known as the “FAST Act.” The bill was virtually silent on Transportation Demand Management and issues of emerging, technology-enabled mobility, the willingness and ability of the private sector to finance portions of the highway and transit infrastructure, or electric/hybrid vehicles that by virtue of their fuel source make little or no contribution to the highway trust fund.

It is past time to elevate the national conversation about infrastructure beyond just the breadth and cost of it. We need 1) to focus on creating efficiencies within our existing transportation systems and 2) to reward those organizations, public or private, providing public services on a more effective, efficient basis than we receive today.

Unfortunately, America’s current federal transportation program does not bring us the returns we deserve for the sums we invest. There is far too little accountability for accomplishing anything measurable and tangible with the billions we spend. We urgently need a new way of doing business.

To get us there and truly realize the benefits of robust federal transportation infrastructure investments, we need a renewed focus on creating efficiencies within our existing transportation systems, ensuring modes are working together to move people in the most cost-effective and convenient ways, supporting innovation and investing dollars in both public and private projects that provide measurable and meaningful returns.

Necessity and demand require that we shift the way we address our infrastructure needs. We must develop a smarter, more efficient, and effective transportation system that gets more out of what we already have and allows for solution driven projects to be built faster and last longer.

Focus on Moving People

Federal transportation policy should focus on creating a multimodal transportation system that **moves people**, while delivering benefits of reduced congestion, improved air quality, and stimulating economic activity. To achieve this, Congress should...



- Establish a National Advisory Committee on Transportation Demand Management to assist the USDOT in the development of strategies/tactics for increasing the “per-person throughput” of our current transportation network.
- Authorize \$100M for a National Transportation Demand Management Program designed to support the reduction of congestion before, during and after the construction and/or reconstruction of highway, bridge and freight projects of national significance.
- If States are to be allowed discretion to convert Interstate Highway System facilities to toll facilities, require Road Usage Charging schemes to include preferential treatment for high-occupancy vehicles and to address the needs of low income and unbanked customers using those toll facilities.
- Require large highway construction and/or reconstruction projects to include Transportation Demand Management strategies in the project design process, and the investment of no less than 1% of the construction budget for the use of Transportation Demand Management strategies that will reduce roadway usage during the disruption.
- Require FHWA to make public transit, vanpooling, carpooling, bicycling and telecommuting an area of emphasis for media campaigns to alter commuting behavior, reduce peak-period traffic congestion, and increase the “per-person throughput” of existing highway facilities.

Invest in New Technologies, Practices and Business Models

ACT supports policies that **encourage investments in new technologies** and remove hurdles preventing new practices and restricting business models. To support innovation, Congress should...



- Adopt policies and provide new funding for high-performing public transportation projects and programs, including emerging technologies and public/private partnerships that influence travel behavior and improve the efficiencies of the overall system.
- Encourage the separation of policy from operations at the local level, reducing the inherent “fund me first” bias that limits a community’s ability to advance “mobility management” and “demand management” initiatives.

Integrate & Leverage All Entities Delivering Transportation Solutions

Across the nation, employers, Transportation Management Associations (TMAs), and both public and private sector mobility service providers are taking an active role improving the nation’s transportation system. ACT supports policies that **include all stakeholders** in the planning and delivery of transportation solutions. To further this collaboration, Congress should...



- Address the pending shortfall in the Highway Trust Fund, including the Mass Transit Account, while maintaining consistent and predictable funding streams for states, local communities, and public transportation services.
- Reinstate the deductibility of business expenses for Qualified Transportation Fringe Benefits (QTFB) offered employees, and give consideration to including the QTFB as eligible for Section 125 Cafeteria Plans.
- Repeal the inclusion of the Qualified Transportation Fringe Benefit in the calculation of Unrelated Business Income for tax-exempt organizations.
- Include Transportation Demand Management as a strategic area of emphasis for at least one of the University Transportation Centers research programs.
- Require collaboration between USDOT, FEMA and the Department of Homeland Security to integrate Transportation Demand Management as an eligible activity for emergency response plans to safely evacuate residents and to get them back to work in the aftermath of intense weather, natural disasters, and other hazards.
- Establish parity for all forms of public transportation, both large and small, to be eligible for federal fuel excise tax exemptions.

Place Value on Delivering the Best Solutions

The American taxpayer demands the most efficient use of our limited public resources, and requires a shift in the way decisions are made and which projects and programs are funded. ACT supports policies that compel decision makers to **find the best solutions**. Congress should...



- Reward transit system performance by providing an expanded level of incentive funding for evidence-based performance improvement by both public and private providers of public transportation services.

Transportation Demand Management Section Language
Surface Transportation Authorization

A. Definition

- The term “Transportation Demand Management” means the acts of creating a most efficient multimodal transportation system that moves people with the goal of reducing congestion, improving air quality and stimulating economic activity.

B. 1. Establishment of National Advisory Committee on Transportation Demand Management

Purpose: Serve as a body of transportation demand management experts from across the United States that will begin a national conversation about Transportation Demand Management and share ideas and make recommendations for the development of a national transportation demand management strategic plan.

Membership: members appointed by the Secretary for terms of not more than 3 years; and will include a representative cross-section of public and private sector stakeholders involved in the Transportation Demand Management industry, including representatives of the following:

- the Transportation industry, product and service providers, and related Transportation Demand Management associations;
- large corporations, large non-profits and universities who need to move large numbers of students and employees;
- the multi-modal-related workforce;
- organizations representing commuters;
- State Transportation Demand Management workforce;
- State departments of transportation;
- public transportation representatives;
- regional and metropolitan planning organizations;
- local governments

Role: to provide information, advice, and recommendations to the Secretary of Transportation on matters relating to the role of transportation demand management in facilitating the planning, design, and implementation of more efficient multi-modal transportation systems aimed at improving the movement people. More specifically, the Committee will:

- advise the Secretary on current and emerging priorities, issues, projects, and funding needs related to the use of the intermodal transportation network of the United States to facilitate the movement of people more efficiently;
- serve as a forum for discussion for transportation stakeholders and connected communities on transportation issues affecting interstate, interregional, urban and rural mobility of people;
- promote the sharing of information between the private and public sectors of regional economies on transportation issues impacting efficiency of the multi-modal infrastructure network;

- gather information, develop technical advice, and make recommendations to the Secretary on policies that improve the condition and performance of an integrated national transportation system that is safe, economical, and efficient; and maximizes the benefits of the United States direct investment into the transportation industry;
- identify critical transportation facilities and corridors that facilitate and support the interstate, interregional, urban and rural movement of people;
- provide for development of measures of condition, safety, and performance for transportation related to movement of people;
- provide for development of transportation investment, data, and planning tools to assist Federal, State, and local officials in making investment decisions relating to the efficiency of transportation systems and projects that maximize and improve the movement of people; and
- address other issues of transportation policy and programs impacting the movement of people, such as land use planning, emergency preparedness, and streamlining or reducing regulations, by making legislative recommendations.

B. 2. National Transportation Demand Management Strategic Plan

Purpose/Goals: to create a national transportation demand management plan that addresses:

- a summary of the issues, problems and barriers of transportation demand management;
- an identification of existing transportation demand management policies and programs
- a forecast of transportation demand management;
- an identification of the major transportation facilities and corridors that need assistance in planning and design;
- an assessment of the Congestion Mitigation Air Quality program usage, demand and funding;
- an identification of the assistance needed for safety/disaster planning and safe movement of people in emergencies or catastrophic events;
- an assessment of statutory, regulatory, technological, institutional, financial, and other barriers to improving the movement of people;
- best practices for maximizing the efficiency of multimodal transportation systems;
- strategies to decrease and streamline burdensome regulations
- suggestions for incentivizing/deploying lower cost options and improving intermodal connectivity of transportation systems to move people better, and;
- a description of how the plan will improve the ability of the States to meet the national congestion mitigation air quality improvement program goals established under title 23 section 149, United States Code.

C. 1. State Transportation Demand Management Advisory Committees

Purpose: Serve as a body of transportation demand management experts from within a state that will begin a conversation of the transportation demand management issues, expectations and goals are within the state and share ideas and make recommendations for the development of the state transportation demand management strategic plan.

Membership: consisting of a representative cross-section of public and private sector transportation stakeholders, including representatives of:

- transportation product and service providers;
- large corporations;
- large non-profits and universities who need to move large numbers of students and employees;
- transportation demand management-related associations;
- organizations representing commuters;
- the multi-modal industry workforce;
- regional and metropolitan planning organizations;
- the transportation department of the State;
- public transportation representatives;
- association representing commuters;
- and local government.

Role:

- advise the State on transportation demand management-related priorities, issues, projects, and funding needs;
- serve as a forum for discussion for State transportation decisions affecting the movement of people;
- communicate and coordinate regional priorities with other organizations;
- promote the sharing of information between the private and public sectors on efficiency of transportation infrastructure systems and transportation demand management best practices;
- facilitate coordination and collaboration between public and private organizations, and
- participate in the development of the transportation demand management plan of the State/Region.

C. 2. State Transportation Demand Management Plans

Plan Contents:

- an identification of significant multimodal transportation system trends, needs, and issues with respect to the State;
- a description of the transportation demand management policies, strategies, and performance measures that will guide the related transportation investment decisions of the State;
- a description of private sector involvement in providing transportation demand management programs and services
- a description of how the plan will improve the ability of the State to meet the national congestion mitigation air quality improvement program goals established under title 23 section 149, United States Code;
- evidence of consideration of innovative technologies and operational strategies, including intelligent transportation systems, that improve the safety and efficiency of moving people, including during a catastrophic event;
- a description of improvements that may be required to reduce or impede the deterioration of heavily utilized transportation corridors and improvements that will sustain quality of life and livable communities; and

- an inventory of facilities with mobility issues within the State, and a description of the strategies the State is employing to address them.
- (c) RELATIONSHIP TO LONG-RANGE PLAN.—A transportation demand management plan described above may be developed separate from or incorporated into the statewide strategic long-range transportation plan required by section 135 of title 23, United States Code.

D. Authorization of \$100 Million for a National TDM Implementation Program

- i. Establish a National TDM Implementation Program under which the Secretary may establish an initiative to provide eligible entities with grants to support the implementation of projects and programs identified within state adopted TDM plans, supporting the movement of people and resulting in reduced congestion, environmental benefits, and support economic activity.
- ii. The funds will be provided in the form of competitive grants to eligible entities, which may include states, mpo's and their local and/or regional partners.

E. Authorization of University Transportation Centers Research and Development Grants for Transportation Demand Management

- i. Appropriation-\$2.5 M

Language: “§ 5505. University transportation centers program “(x)
UNIVERSITY TRANSPORTATION CENTERS TRANSPORTATION DEMAND
MANAGEMENT PROGRAM.—Establish a university transportation center
dedicated towards the advancement of transportation demand management, the
understanding of behavior in mobility decisions, and the development of mobility
as a service applications.

Association for Commuter Transportation (ACT)

Update on the Unrelated Business Income Tax imposed on tax-exempt organizations offering Qualified Transportation Fringe Benefit Programs *September 2018*

The Tax Cuts and Jobs Act (Public Law 115-97) made many changes and reforms to the Internal Revenue Code (IRC). ACT members are particularly concerned with a provision in the Tax Cut and Jobs Act that disallows the deduction of expenses associated with section 132(f) of the IRC, the qualified transportation exclusion. The Tax Cuts and Jobs Act also makes expenditures by tax-exempt organizations on transportation fringe benefits subject to an Unrelated Business Income Tax (UBIT) of 21 percent. It will take time for employers to understand these rule changes and to fully gauge the impact of the new UBIT.

Representing nearly 1,000 members across the United States, ACT brings together private and public-sector organizations working to improve the lives of commuters. This includes non-profit or tax-exempt employers like hospitals, universities, and museums, who are currently scrambling to understand all of the impacts the new law will have on their business. ACT sent a letter to the Treasury Department requesting a one-year delay in implementation, the issuance of detailed guidance that addresses our specific concerns, and an exemption for tax-exempts situated in localities that mandate such transportation benefits be provided. For tax-exempt organizations with very little or no unrelated business income, treating transportation fringe benefits as UBIT will result in new reporting requirements that they simply do not have the necessary guidance to comply. Guidance on this new tax is crucial to helping organizations understand what needs to be reported and filed. Additionally, a growing number of municipalities require, by law, that organizations of certain size provide transportation benefits to their employees. This list includes some of America's largest cities, including: New York City, Washington D.C., and San Francisco. The new UBIT provisions in the Tax Cut and Jobs Act would essentially be taxing organizations in these municipalities for following their local mandate.

Several members of Congress, from both chambers and both parties, have introduced legislation that would repeal the UBIT on tax-exempt organizations. There is broad support to repeal this unfair and harmful tax. Below are the bills that have been introduced into the House and the Senate. We ask that you consider supporting these pieces of legislation and help reintroduce these bills in the 116th Congress.

H.R.6037 - Nonprofits Support Act - Rep. Conaway, K. Michael [R-TX-11]

- This bill repeals the increase of the Unrelated Business Income Tax (UBIT) on Transportation Fringe Benefits for nonprofits. It also repeals the requirement that UBIT be calculated separately for each trade or business activity.

H.R.6460 - LIFT for Charities Act - Rep. Walker, Mark [R-NC-6]

- This bill repeals the increase of the Unrelated Business Income Tax on Transportation Fringe benefits for nonprofits.
- Senator Lankford has introduced a companion bill to the Senate-S.3332.

H.R.6504 - Stop the Tax Hike on Charities and Places of Worship Act - Rep. Clyburn, James E. [D-SC-6]

- This bill repeals the increase of the Unrelated Business Income Tax (UBIT) on Transportation Fringe Benefits for nonprofits. This bill also increases the corporate tax rate from 21% to 22%, to pay for the repeal of the UBIT provision.

S.3332 - Lessening Impediments from Taxes (LIFT) for Charities Act - Sen. Lankford, James [R-OK]

- This bill is the Senate companion version of Rep. Walker's H.R. 6504. This bill repeals the increase of the Unrelated Business Income Tax on Transportation Fringe Benefits for nonprofits.

S.3317 - Protect Charities and Houses of Worship Act - Sen. Cruz, Ted [R-TX]

- This bill repeals the increase of the Unrelated Business Income Tax (UBIT) on Transportation Fringe Benefits for nonprofits. It also repeals the requirement that UBIT be calculated separately for each trade or business.