



September 18, 2013

The Honorable Jeb Hensarling
Chairman
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of the American Public Transportation Association (APTA) and its more than 1,500 member organizations, I write in support of legislation to extend the Terrorism Risk Insurance Program. Originally created following the September 11, 2001 attacks, the public transportation industry requires the program in order to insure against potentially large losses due to acts of terrorism.

Public transportation agencies are technologically advanced systems that are largely open to the public and have repeatedly been identified as high-risk terrorist targets. Despite significant and continuing efforts to harden facilities, enhance public awareness, and increase overall security across their systems, public transportation agencies require full insurance coverage (both property and casualty) from terrorist acts. Since September 11, the insurance industry has been unable to provide the necessary insurance capacity to financially protect public and private assets such as public transportation, utilities, commercial real estate, and similar industries and projects. The passage of Terrorism Risk Insurance Act (TRIA) enabled public transportation agencies to once again access the marketplace and obtain affordable coverage along with the reinsurance available through TRIA. There is no indication that the private insurance market is any better equipped to exclusively provide terrorism insurance now than it was when TRIA was initially enacted in 2002. To this end, we ask that the federal government continue its role in the ongoing public-private partnership that is the Terrorism Risk Insurance Program.

I thank the committee for its leadership on this important issue. Please feel free to contact me or my staff should you have any questions.

Sincerely,

Michael P. Melaniphy
President & CEO

MPM/bt

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