



AMERICAN  
PUBLIC  
TRANSPORTATION  
ASSOCIATION

May 23, 2016

Internal Revenue Service  
P.O. Box 7604  
Ben Franklin Station,  
Washington, DC 20044

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Richard A. White

**RE: REGULATION-129067-15**

Dear Docket Clerk:

On behalf of the more than 1,500 member organizations of the American Public Transportation Association (APTA), I write to provide comments on the Internal Revenue Service's (IRS) Notice of Proposed Rulemaking (NPRM) and request for comments on Definition of Political Subdivision, published on February 23, 2016 at 81 FR 8870.

**About APTA**

APTA is a non-profit international trade association of more than 1,500 public and private member organizations, including public transit systems; high-speed intercity passenger rail agencies; planning, design, construction and finance firms; product and service providers; academic institutions; and state associations and departments of transportation.

**General Comments**

The Proposed Regulations provide proffer non-exclusive benchmarks of rights or powers that constitute control: (1) The right or power both to approve and to remove a majority of an entity's governing body; (2) the right or power to elect a majority of the governing body of the entity in periodic elections of reasonable frequency; or (3) the right or power to approve or direct the significant uses of funds or assets of the entity in advance of that use.

The second, "the right or power to elect a majority of the governing body of the entity in periodic elections of reasonable frequency" is problematic for public transportation agencies, since many board members are appointed and not "elected."

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We urge the IRS to clarify this requirement in such a way that does not impair public transportation agencies' the ability to issue tax exempt bonds.

We appreciate the opportunity to assist IRS in this important endeavor. For additional information, please contact James LaRusch, APTA's chief counsel and vice president corporate affairs, at (202) 496-4808 or [jlarsch@apta.com](mailto:jlarsch@apta.com).

Sincerely yours,

A handwritten signature in black ink that reads "Richard A. White". The signature is written in a cursive, flowing style.

Richard A. White  
Acting President & CEO

RAW/jpl:jr