



ADDENDUM

Virtual Meeting of the Connect Transit Board of Trustees

June 23, 2020 - 4:30 P.M.

**Connect Transit – Training Room
351 Wylie Drive, Normal, Illinois 61761**

D. Consent Agenda

- 4. Cardinal Infrastructure Federal Report - *Addendum***

Federal Update for Connect Transit
Prepared by Cardinal Infrastructure
June 23, 2020 Board Meeting

Surface Transportation Reauthorization

On June 3rd, the Democratic leadership of the House Transportation and Infrastructure Committee released its surface transportation reauthorization bill, the Investing in a New Vision for the Environment and Surface Transportation (INVEST) in America Act. The bill provides \$494 billion over a five-year period, with \$105 billion for transit programs under the Federal Transit Administration and \$319 billion for federal-aid highway programs under the Federal Highway Administration.

Among other provisions, the bill includes:

- \$83.1 billion in Fiscal Year (FY) 2021 made available at 100 percent federal share to ensure States, cities, tribes, territories, and transit agencies can administer programs, advance projects, and preserve jobs in the aftermath of the COVID-19 crisis.
- Provides additional funds to the STIC program for small transit agencies that run more service than comparable agencies.
- \$5 billion for FY 22-25 for Buses and Bus Facilities formula program.
- \$1.6 billion for FY 22-25 for Buses and Bus Facilities discretionary program. Modifies the competitive bus program to focus on large one-time needs for bus garages, bus stations, and fleet expansions
- \$1.7 billion for FY 22-25 for zero-emission bus grants (removes "low" emission eligibility).
- Increases funding for the Transit Oriented Development Planning Grant Program and expanded eligibility for the highest 25 percent of bus routes by ridership.
- Restores the eligibility to incorporate art into transit facilities.
- Replaces the current incentive formula based on low operating costs with a formula based on vehicles per hour during peak service in the highest 25 percent of routes by ridership.

On the House side, the House Transportation and Infrastructure Committee has jurisdiction over the transit and highway titles of the surface transportation authorization bill, while the Ways and Means Committee provides the means for funding of the bill. The Ways and Means Committee has not yet acted on this legislation. House leadership would like to bring the bill to the floor in early July. The authorization for the surface programs expires on September 30th.

On the Senate side, the Senate Environment and Public Works Committee has passed its highway title. Yet to be released, the Senate Banking Committee will provide the transit title, Senate Commerce Committee will provide the rail and safety title, and the Senate Finance Committee will provide the means for funding the legislation.

Appropriations

The Senate will begin markups for its FY 2021 appropriations bills the week of June 22nd. According to reports, Senate subcommittees may elect to skip their markups and instead have the bills go directly to the full committee for markup.

House Appropriations Committee Chairwoman Lowey (D-NY) sent a letter to committee members alerting them to her intent to hold FY 21 appropriations subcommittee and full committee markups the weeks of July 6th and 13th. The Chairwoman expects the bills to go to the floor the weeks of July 20 and 27.

Hearing on Transportation Workers

On June 9th, the House Transportation and Infrastructure Committee held a virtual hearing, "On the Front Lines: The Impacts of COVID-19 on Transportation Workers." Witnesses included:

- Larry Willis, President, Transportation Trades Department of the AFL-CIO
- Tom Shaw, Transit Operator, Southeastern Pennsylvania Transportation Authority on behalf of the Transportation Workers Union
- LaMont Byrd, Director for Safety and Health, International Brotherhood of Teamsters
- Susannah Carr, Flight Attendant, United Airlines, on behalf of the Association of Flight Attendants – CWA
- Randy Guillot, Chairman, American Trucking Associations

Chairman DeFazio, in his opening remarks, said, "...Federal agencies have refused to issue mandatory guidance protecting workers and the general public, instead relying on voluntary recommendations that offer little practical guidance other than suggesting that agencies develop rules to keep their employees safe without even collecting best practices from different sectors."

Mr. Shaw discussed social distancing challenges and protections for bus operators, saying, "Most transit buses do not have shields or enclosures of any kind to separate drivers from passengers who generally board at the front of the bus directly adjacent to the driver." Mr. Shaw urged passage of the Every Worker Protection Act (H.R. 6559), which would require the Occupational Safety and Health Administration to issue an emergency temporary standard.

Congressman Scott Perry (R-PA) questioned the additional support needed by public transit agencies. Perry said CARES Act funding provided public transit agencies \$10 billion over what is collected at the farebox, and believes the crisis to transit is of its own making – given the longstanding state of good repair backlog. He further said, with CDC guidance to avoid public transportation, teleworking policies, etc., "How can the American people be convinced that public transit is safe?"

Congressman Lipinski (D-IL) said the amount in the CARES Act was not enough to make-up for the loss for large transit systems. As evidence of continued needed support, Mr. Willis mentioned the loss of ridership and impacts from sales tax revenue declines. In his testimony, Mr. Willis said, "While Congress avoided the immediate crisis for public transit by providing robust funding in the CARES Act, we know that billions more will be needed in the coming months."

Highways and Transit Subcommittee Ranking Member Davis asked that the committee find ways to continue to help public transit, find ways to ensure agencies are better prepared for a second-wave or future crisis, and seek ways to see that riders can safely and comfortably return to using these services.

Member's comments and questions focused on ensuring safety of riders and operators of various transportation modes, and ensuring the industry is supported now and in the future.

House Remote Work

Before the House passed the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, the House passed H.Res. 965, a measure to conduct remote proxy voting and virtual committee proceedings by a 217-189 vote. The House Rules Committee issued regulations to implement the resolution. The House Rules Committee statement provides, "H.Res. 965 authorizes the Speaker, in consultation with the Minority Leader, to temporarily implement remote committee proceedings and remote voting in the House when she has been notified by the Sergeant-at-Arms, in consultation with the Attending Physician, of a public health emergency due to the coronavirus. "

Executive Orders

On May 19th, President Trump signed an Executive Order on Regulatory Relief to Support Economic Recovery. The Order provides, "The heads of all agencies shall identify regulatory standards that may inhibit economic

recovery and shall consider taking appropriate action, consistent with applicable law, including by issuing proposed rules as necessary, to temporarily or permanently rescind, modify, waive, or exempt persons or entities from those requirements...for the purpose of promoting job creation and economic growth..." Furthermore, "The heads of all agencies are also encouraged to promote economic recovery through non-regulatory actions."

On June 4th, President Trump signed an Executive Order on Accelerating the Nation's Economic Recovery from the COVID-19 Emergency by Expediting Infrastructure Investments and Other Activities. The Order provides, "...the Secretary of Transportation shall use all relevant emergency and other authorities to expedite work on, and completion of, all authorized and appropriated highway and other infrastructure projects that are within the authority of the Secretary to perform or to advance."

Under the National Environmental Policy Act (NEPA), the Executive Order also directs all agencies to use to the fullest extent possible and consistent with applicable law, emergency procedures, statutory exemptions, categorical exclusions, completed analyses, and concise and focused analyses consistent with the Council on Environmental Quality's (CEQ's) NEPA regulations and agency NEPA requirements. There are reporting requirements under which agencies are required to identify actions taken.

House Democrats' Legislative Priorities

On May 29th, House Majority Leader Steny Hoyer (D-MD) sent a letter to House members outlining the Democrats' legislative plans for the coming months. Hoyer states, "Throughout the month of June, legislative work in House committees will be our focus, with committees meeting to hold hearings and to mark up and report legislation." The letter provides that must-pass legislation, including appropriation bills and surface transportation reauthorization, is intended to be voted on before August.

Senate Environmental and Public Works Committee

The Senate Committee on Environment and Public Works held a full hearing entitled, "Infrastructure: The Road to Recovery." Witnesses included:

- Steve McGough, Chairman of the American Road & Transportation Builders Association; President and Chief Financial Officer of HCSS
- Dr. Doug Holtz-Eakin, President, American Action Forum
- The Honorable Greg Fischer, Mayor, Louisville, KY; Incoming President of the U.S. Conference of Mayors

Chairman Barasso provided in his opening remarks, "As Congress considers what can be done to help the economy recover, funding our nation's infrastructure should be at the top of the list." He also restated his endorsement of passing the committee's bill (America's Transportation Infrastructure Act) together with the recently passed water infrastructure bills. "The alternative to passing our bill, would be to rely on short-term extensions of current law," he said.

Ranking Member Carper focused his remarks on paying for infrastructure, saying, "We owe it to [states and cities] to reauthorize our surface transportation programs, and fund them in a sustainable and predictable way.

Mayor Fischer spoke to the revenue issues being felt by cities across the country, providing in his remarks, "The most pressing issue before city governments is the rapid deterioration of our local revenue streams...." Further stating, "mayors stressed the urgent need for federal action to address growing local budget shortfalls...with new federal funding commitments."

There were consistent comments from members on both sides of the aisle on the positive impacts of investing in transportation infrastructure, highlighting their respective state infrastructure investments and the positive

jobs and commerce impacts. There were also many comments on avoiding short-term extensions of the FAST Act.

Municipal Liquidity Facility

Last month, the Federal Reserve announced an expansion of the scope and duration of the Municipal Liquidity Facility (MLF); which provides a liquidity backstop to issuers through a special purpose vehicle (SPV). Eligibility will now include counties with a population of at least 500,000 residents and cities with a population of at least 250,000 residents. A second notice was issued on June 3rd, providing that the Federal Reserve will expand the number and type of entities eligible to directly use its MLF, including public transit, airports, toll facilities, and utilities.