



ADDENDUM

**Virtual Meeting of the Connect Transit Board of Trustees
August 25, 2020 – 4:30 P.M.
351 Wylie Drive – Training Room
Normal, Illinois 61761**

- E. Consent Agenda
 - 4. Cardinal Infrastructure Federal Report

Federal Update for Connect Transit
Prepared by Cardinal Infrastructure
August 25, 2020 Board Meeting

Buses and Bus Facilities Award

Connect Transit received \$8 million from the FTA's Buses and Bus Facilities grant program for the Downtown Bloomington Transfer Center. FTA received 282 applications totaling approximately \$1.8 billion in funding requests, and awarded a total of \$464 million in grants to 96 projects.

COVID-19 Relief Package

On July 27th, Senate Republican leadership released several pieces of legislation that take the form the Health, Economic Assistance, Liability Protection, and Schools (HEALS) Act. The HEALS Act has served as the starting marker in the Senate, and is not the bill that will ultimately pass Congress.

- The Safe to Work Act is the COVID-19 liability protection measure, requiring a showing of willful misconduct or gross negligence to recover for COVID-19 exposure claims. A "safe harbor" is created if a defendant made reasonable efforts to comply with applicable public health guidelines. The bill creates a Federal cause of action and preempts state law that imposes liability for exposure on broader grounds, but provides for the application of state laws that impose further liability limitations.
- The Small Business Recovery and Paycheck Protection Program (PPP) Act allows the hardest hit small businesses, with revenue declines of 50% or more, to receive a second PPP loan. The second loans are limited to small businesses with 300 or fewer employees, with a simplified forgiveness application process for the smallest borrowers. It also expands the PPP loan eligibility to 501(c)(6) organizations, so EDAWN and economic development entities across the country would qualify.
- The Time to Rescue United States' Trusts (TRUST) Act, which, among other items, creates individual rescue committees for various trust funds (including the Highway Trust Fund) to provide legislation for its solvency.
- The \$306 billion in appropriations includes but is not limited to:
 - \$16 billion for states to increase testing.
 - \$26 billion for development and distribution of vaccines, therapeutics, and diagnostics.
 - \$105 billion for the Education Stabilization Fund, to help schools adapt to operating during the pandemic.
 - \$448 million in additional funding for the census.
 - \$208 million for the Transportation Security Administration.
 - \$10 billion to the Federal Aviation Administration's Airport Improvement Program
- Additional HEALS Act legislation includes the Safely Back to School and Back to Work Act, Restoring Critical Supply Chains and Intellectual Property Act, American Workers, Families, and Employers Assistance Act, and Supporting America's Restaurant Workers Act.

The HEALS Act does not include funding for public transit agencies, or supplemental funding for state and local governments. APTA is advocating for the inclusion of \$32-36 billion in transit funding. The total price tag of the HEALS Act is approximately \$1 trillion.

The House-passed Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act includes \$15.75 billion in operating assistance grants for public transit. Of that amount, \$11.75 billion is to be distributed by formula (going to the larger systems in areas of over 3 million in population under the state of good repair and

5307 programs) and \$4 billion to be made available to any grantee or sub-recipient by application to the U.S. Department of Transportation (U.S. DOT) based on a showing that significant additional funds are required to maintain basic transit service. For state and local funding, the bill provides \$500 billion to states and \$375 billion to local governments, and \$15 billion to state DOTs. The total price tag of the HEROES bill is in the \$3 trillion range.

The House and Senate remain far apart, both in scope and overall funding, and negotiations have stalled. The timeline for passage of a relief package remains incredibly fluid. Furthermore, Senator Ted Cruz (R-TX) and Senator Lindsey Graham (R-SC) have commented that a number of Senate Republicans are in opposition to the HEALS Act and have expressed concern over any additional economic relief package.

Executive Orders

Given the state of negotiations in Congress over the COVID-19 relief package, the President signed four executive actions. House Speaker Pelosi has called the executive actions unconstitutional; congressional members and governors on both sides of the aisle have acknowledged the onus is on Congress to act.

- Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019.
 - Restores supplemental unemployment benefits of up to \$400 per week, which will include a federal contribution of \$300 and a state contribution of at least \$100 for eligible claimants, using federal resources available from the Disaster Relief Fund and Coronavirus Relief Fund.
- Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster.
 - Defers certain payroll tax obligations on earnings under \$4,000 per bi-weekly period or \$104,000 annually on a pre-tax basis.
- Memorandum on Continued Student Loan Payment Relief During the COVID-19 Pandemic.
 - Defers student loan payments and interest through December 31, 2020 for those experiencing hardship.
- Executive Order on Fighting the Spread of COVID-19 by Providing Assistance to Renters and Homeowners.
 - Requests the Secretary of the Treasury, Secretary of Housing and Urban Development, and Secretary of Health and Human Services take necessary actions to extend the moratoriums on evictions.

Appropriations

On July 31st, the House passed a package of appropriation bills, including FY 2021 transportation appropriations. The transportation appropriations measure totals \$107.2 billion in total budgetary resources for U.S. DOT, an increase of \$21.1 billion above FY 2020 and \$19.4 billion above the President's budget request, including:

- \$1 billion for the BUILD program, with an additional \$3 billion in emergency funding to remain available until September 30, 2022.
- \$663 million for the Buses and Bus Facilities discretionary grant program, including language to make eligible projects that "increase green space surrounding a bus transportation hub structure." \$180 million for the Low or No Emission Vehicle Grant Program. For "Transit Infrastructure Funds" (i.e. Buses and Bus Facilities and Low-No), the federal share of the costs may be up to 100%.
- \$2.175 billion for Capital Investment Grant (CIG) projects, with an additional \$5 billion in emergency funding.

- \$1 million for the Public Transportation Innovation Program, with grants for "the development of software to facilitate the provision of demand-response public transportation service that dispatches public transportation fleet vehicles through riders' mobile devices or other advanced means."
- \$150 million for Federal Highway Administration's (FHWA's) Nationally Significant Federal Lands and Tribal Projects

On July 30th, the White House issued a veto threat to House appropriations in its statement of administration policy (SAP). While the SAP makes note of the appropriations package exceeding Congress' two-year budget agreement spending limits, it specifically notes objections to the transportation appropriations bill, including:

- Opposition to an additional \$26 billion in COVID-19 relief spending.
- Opposition to "the inclusion of new and excessive parameters and timelines placed on [BUILD, Capital Investment Grant program, etc]."
- Opposition to the overall funding level for U.S. DOT.
- Opposition to obligation limitations (budget authority) for highway and transit programs financed out of the Highway Trust Fund.
- Objects to the face mask mandate for passengers and transportation workers.

Senate Appropriations Committee Chairman Richard Shelby (R-AL) indicated that the Senate may not advance any FY 2021 spending bills this year. Chairman Shelby believes the Senate will instead move a continuing resolution (CR) before funding for the federal government expires on Wednesday, September 30, 2020.

Surface Transportation Reauthorization

The U.S. Conference of Mayors Infrastructure Task Force Committee held a conference call with House Transportation and Infrastructure Committee Chairman Peter DeFazio (D-OR). During the discussion, Chairman DeFazio said, "In all probability, we're going to be negotiating an extension [of the FAST Act]...We'll continue to push for H.R. 2, but to be very frank, the Senate has done virtually nothing." Although it has been rumored for months that the FAST act will likely have a short-term extension, for the first time, Chairman DeFazio has gone on the record with this eventuality.

Biden/Harris Campaign

Former Vice President Joe Biden selected Senator Kamala Harris (D-CA) as his Vice President nominee. Senator Harris has been a strong advocate and champion for public transit, emerging transportation technology, and robust infrastructure investment during her time in the Senate, as well as during her presidential campaign.

In Biden's clean energy and infrastructure plan, he calls for "high-quality, zero-emissions public transportation options through flexible federal investments with strong labor protections that create good, union jobs and meet the needs of these cities – ranging from light rail networks to improving existing transit and bus lines to installing infrastructure for pedestrians and bicyclists," as well as "strengthen and enforce" Buy America and Buy American requirements.

During Senator Harris' presidential campaign, she called for an investment in public transit systems "that reduce vehicle miles traveled and address gaps in first mile, last mile service." She has also endorsed more free public transportation, adding, "...infrastructure spending isn't a transportation issue for most Americans — it's a human rights issue." While Senator Harris and Vice President Biden call for these historic investments, they have not specifically identified pay-fors.

Part of the Senator's presidential campaign platform included "investing in clean energy and electrifying transportation...achieving a clean economy by 2045" and "funding robust public transportation networks." This

goal will be reached by requiring new vehicle purchases be zero-emission by 2030 and "focusing...investments toward projects that reduce vehicle miles traveled and address gaps in first mile, last mile service."

Harris' campaign also endorsed a \$1 trillion infrastructure plan that included \$385 billion to repair roads and bridges, improve public transportation and "promote innovative transformations to our transportation networks." Furthermore, during the campaign for the California Senate seat, Harris endorsed the creation of an infrastructure bank to repair and expand transportation infrastructure, as well as highlighted the important issues of ADA and equity in transit.

Update to NEPA Regulations

On July 15th, the Council on Environmental Quality (CEQ) announced its final rule, "Update to the Regulations Implementing the Procedural Provisions of the National Environmental Policy Act." According to a fact sheet provided by the White House, the final rule makes several amendments, among others, including:

- Establishes presumptive time limits of two years for the preparation of environmental impact statements (EISs) and one year for the preparation of environmental assessments (EAs).
- Requires joint schedules, a single EIS, and a single record of decision (ROD), to the extent practicable, for NEPA decisions involving multiple Federal agencies
- Allows agencies to establish procedures to use other agencies' categorical exclusions (CEs) and to adopt EAs and CE determinations, where appropriate.
- Allows agencies to establish those activities not subject to NEPA, including instances in which the agency determines that another statute would serve the function of agency compliance with NEPA.
- Promotes use of modern technologies for information sharing and public outreach.
- Clarifies that mitigation measures must have a nexus to effects of the proposed action or alternatives.

The final rule goes into effect on September 14th; however, the timing could potentially be impacted by Congressional review and legislative action and/or litigation challenging the rule. The revised regulations apply to all NEPA processes begun after the September 14, 2020 effective date. The CEQ regulation states that agencies have the discretion to apply the revised regulations to ongoing activities and environmental reviews begun before the effective date. Agencies are to issue revisions to their implementing regulations within 12 months of the effective date of the CEQ regulation.