



# **ADDENDUM**

**Meeting of the Connect Transit Board of Trustees**

**October 22, 2019**

**4:30 P.M.**

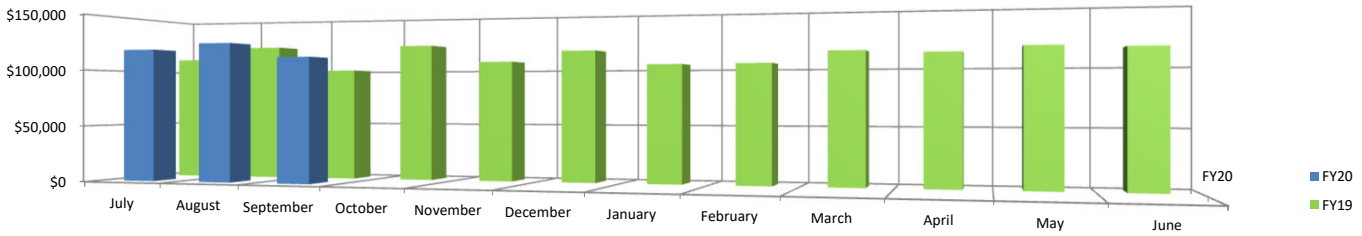
**Connect Transit Board Room  
351 Wylie Drive, Normal, Illinois 61761**

**D. Consent Agenda**

3. Monthly Statistical Report for September 2019 – *Addendum*
4. Cardinal Infrastructure Federal Report - *Addendum*

# Financial Reports

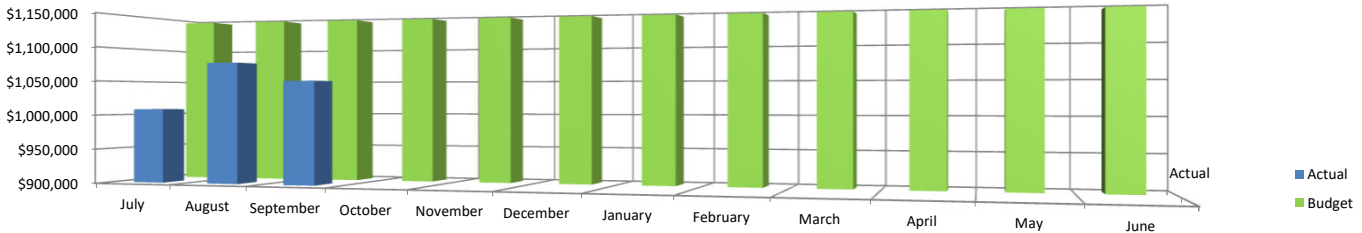
## Transit Fare



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	\$118,530	\$123,667	\$110,792									
FY19	\$111,416	\$122,580	\$100,493	\$122,655	\$107,501	\$116,816	\$104,334	\$104,767	\$114,752	\$112,897	\$117,447	\$116,011

Notes: Other Contract Fares revenue increased \$2,120 in September 2019 from September 2018 due to Heartland Community College. Total Cash Fares increased \$8,093 in September 2019 from September 2018. Total Pass Fares decreased \$1,918 in September 2019 from September 2018.

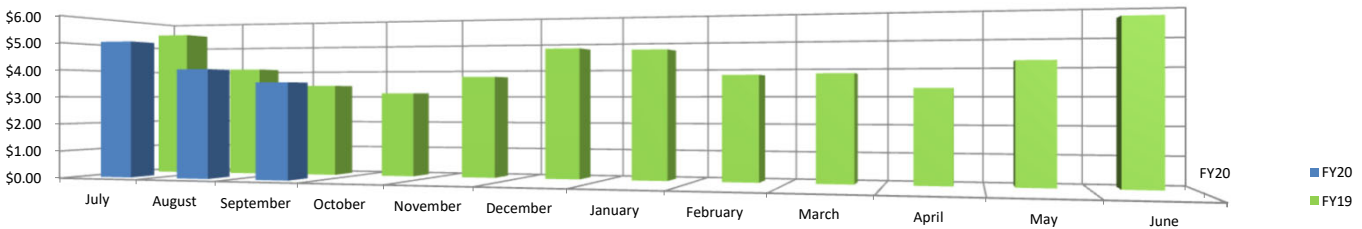
## Operating Expenses



	July	August	September	October	November	December	January	February	March	April	May	June
Actual	\$1,008,020	\$1,076,151	\$1,049,555									
Budget	\$1,143,083	\$1,143,083	\$1,143,084	\$1,143,083	\$1,143,083	\$1,143,084	\$1,143,083	\$1,143,083	\$1,143,084	\$1,143,083	\$1,143,083	\$1,143,084

Notes:

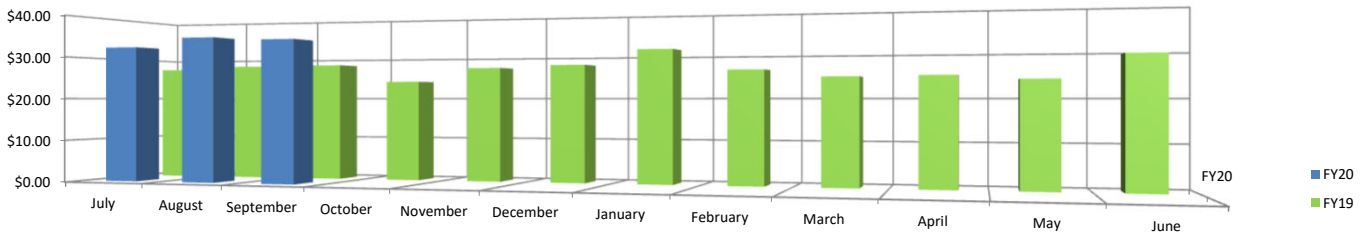
## Fixed Route Cost Per Unlinked Passenger Trip



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	\$5.06	\$4.01	\$3.52									
FY19	\$5.46	\$4.07	\$3.42	\$3.13	\$3.74	\$4.76	\$4.69	\$3.77	\$3.81	\$3.30	\$4.21	\$5.62

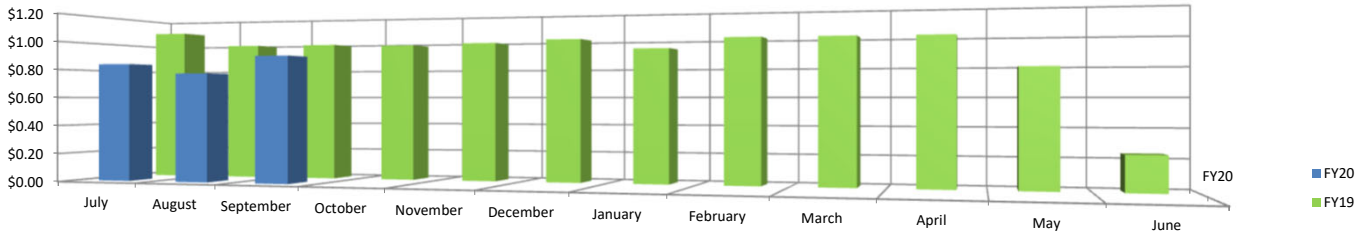
Notes: Expenses decreased \$6,969 in September 2019 from September 2018. Trips decreased 9,046 in September 2019 from September 2018.

### Connect Mobility Cost Per Unlinked Passenger Trip



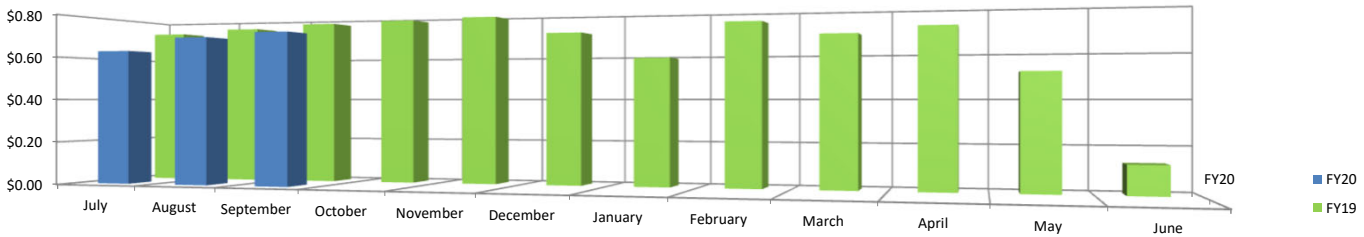
Notes: Expenses increased \$32,663 in September 2019 from September 2018. Trips decreased by 231 in September 2019 from September 2018.

### Fixed Route Cost Per Maintenance Mile (Excluding Fuel) Unaudited



Notes: Fixed Route maintenance expense decreased \$5,730 in September 2019 from September 2018. Fixed Route miles increased 5,466 in September 2019 from September 2018.

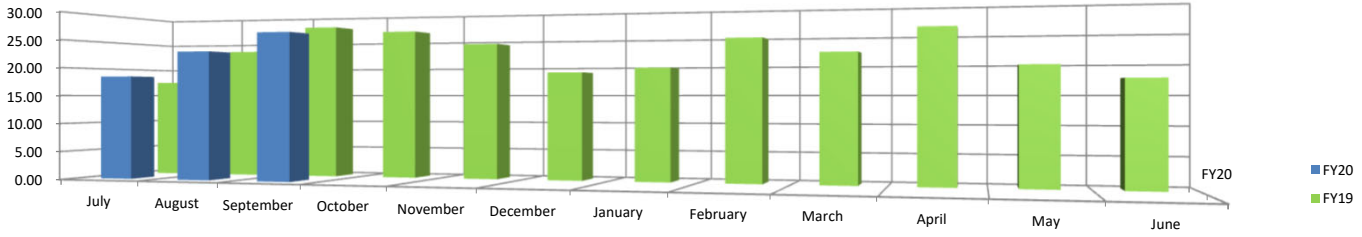
### Connect Mobility Cost Per Maintenance Mile (Excluding Fuel) Unaudited



Notes: Connect Mobility maintenance expense decreased \$1,491 in September 2019 from September 2018. Mobility miles increased 1,092 in September 2019 from September 2018.

# Operations Reports

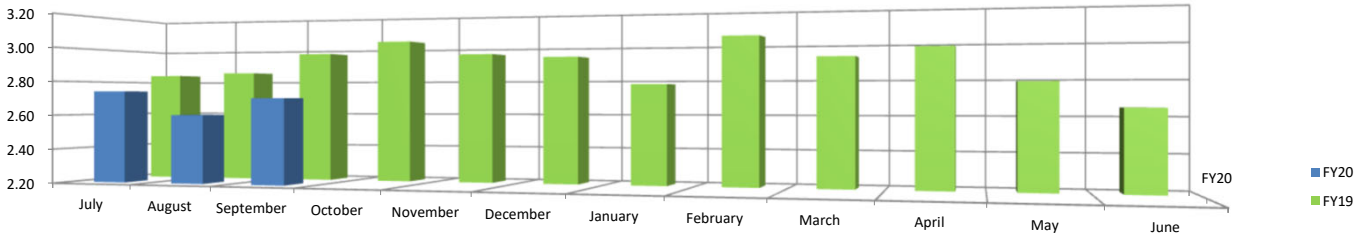
## Fixed Route Passengers Per Hour



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	18.44	22.81	26.04									
FY19	17.44	23.27	27.68	26.69	24.25	19.08	19.83	24.83	22.30	26.31	20.01	17.80

Notes: Fixed route boardings per revenue hour decreased 5.2% or 1.42 boardings PRH in September 2019 over September 2018. This is the average boardings per revenue hour for all fixed route service in September.

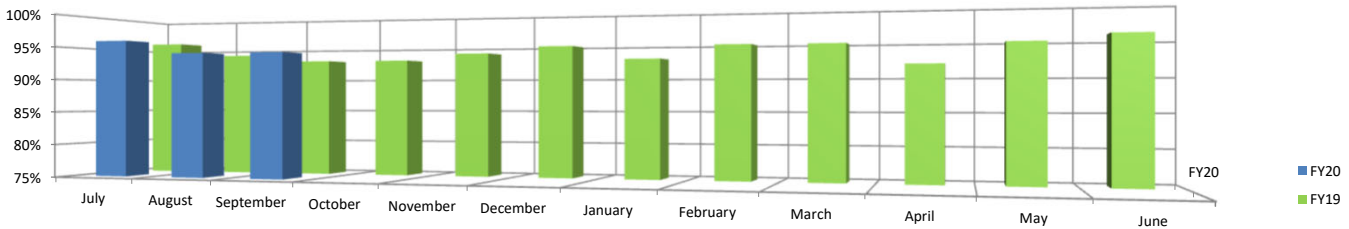
## Connect Mobility Passengers Per Hour



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	2.74	2.60	2.70									
FY19	2.84	2.85	2.97	3.04	2.96	2.94	2.78	3.05	2.93	2.98	2.79	2.65

Notes: Mobility boardings per revenue hour in September 2019 decreased 9.1%, mileage decreased .7%, and passenger trips decreased by 231 trips or 3.2%.

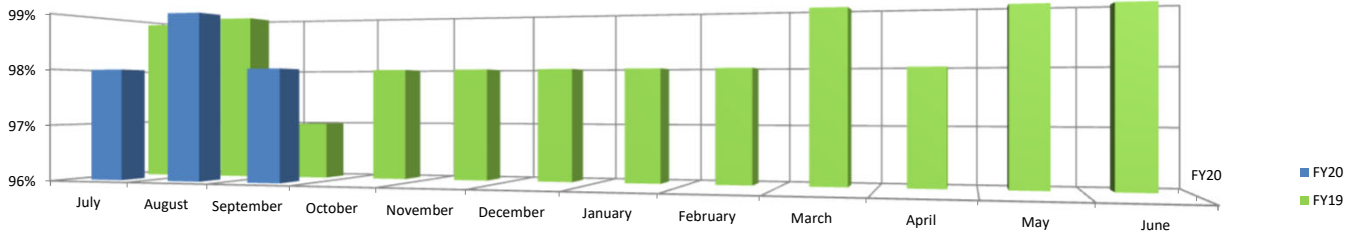
## Fixed Route On Time Performance



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	96%	94%	94%									
FY19	96%	94%	93%	93%	94%	95%	93%	95%	95%	92%	95%	96%

Notes:

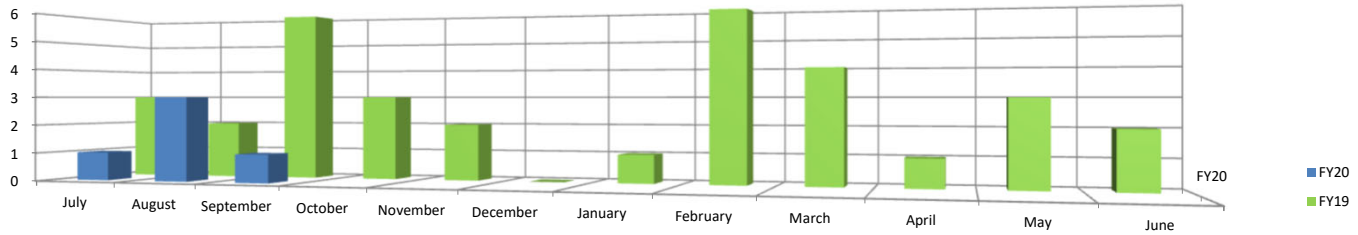
### Connect Mobility On Time Performance



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	98%	99%	98%									
FY19	99%	99%	97%	98%	98%	98%	98%	98%	99%	98%	99%	99%

Notes:

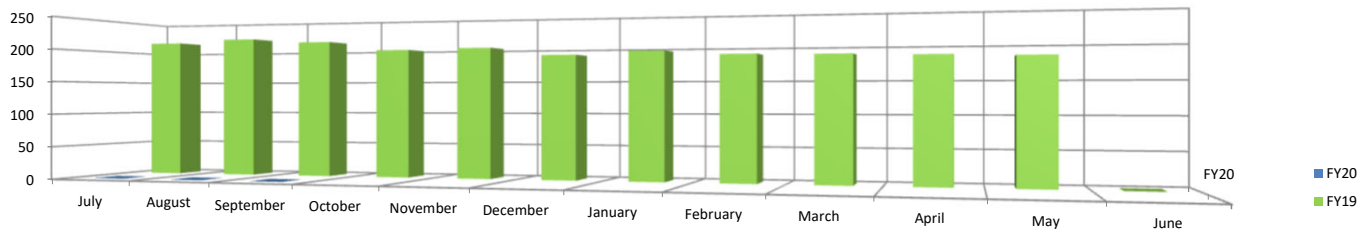
### Validated Complaints Per 100,000 Miles



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	1	3	1									
FY19	3	2	6	3	2	0	1	6	4	1	3	2

Notes:

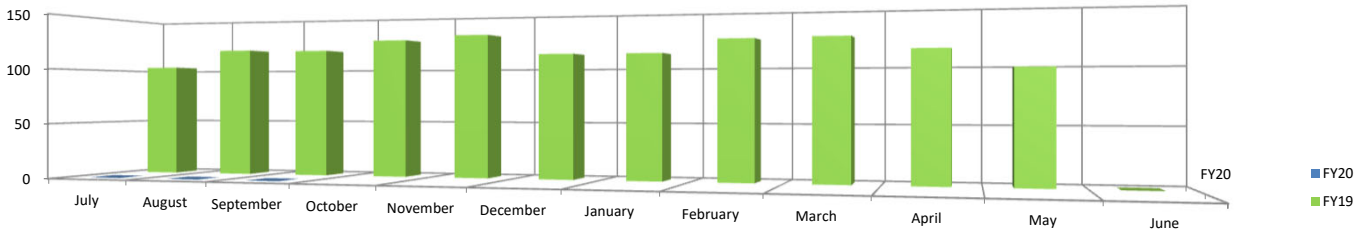
### Fixed Route Average Daily Phone Calls



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	0	0	0									
FY19	215	220	214	200	202	190	195	189	188	186	184	0

Notes:

### Connect Mobility Average Daily Phone Calls

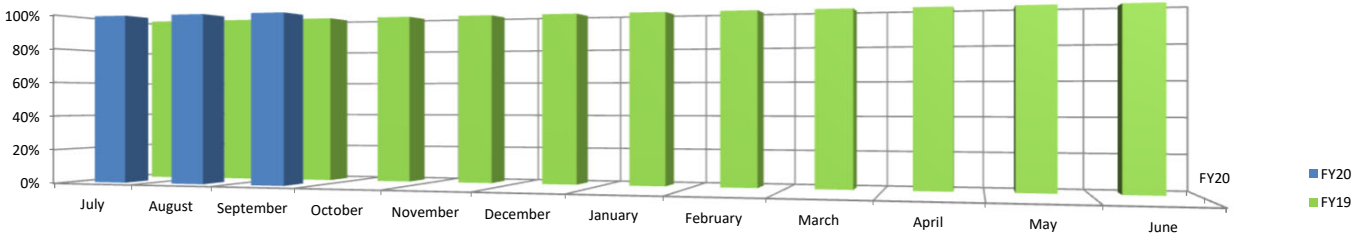


	July	August	September	October	November	December	January	February	March	April	May	June
FY20	0	0	0									
FY19	103	119	118	127	131	113	113	125	126	115	99	0

Notes:

### Maintenance Reports

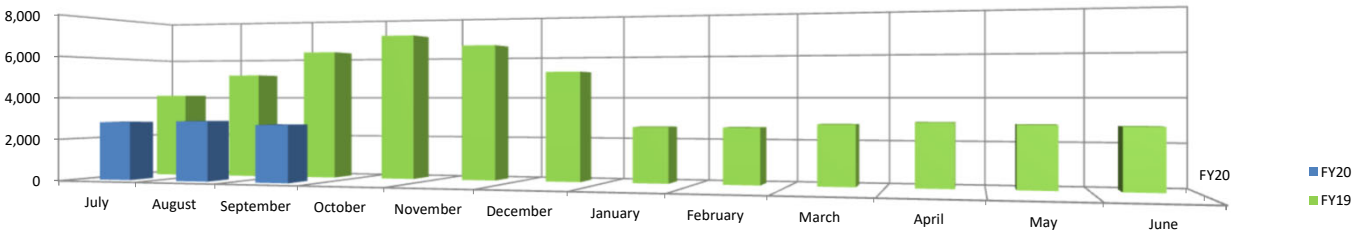
#### Percent Preventative Maintenance Performed On Time



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	100%	100%	100%									
FY19	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Notes:

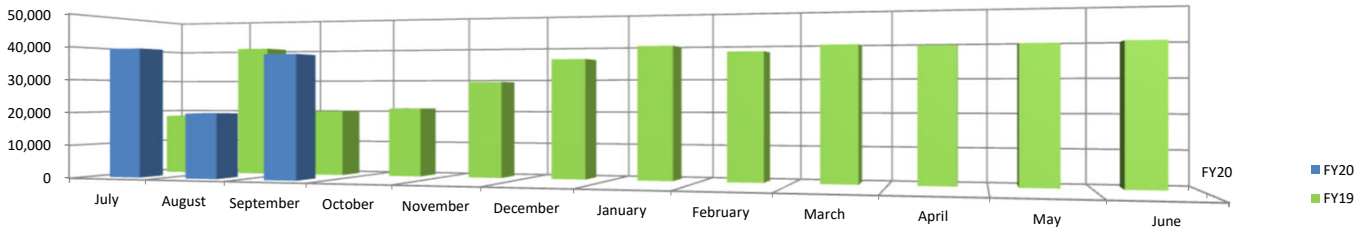
#### Fixed Route Vehicle Miles Between Trouble Calls



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	2,802	2,862	2,715									
FY19	4,098	5,139	6,281	7,067	6,541	5,238	2,623	2,625	2,796	2,905	2,827	2,772

Notes:

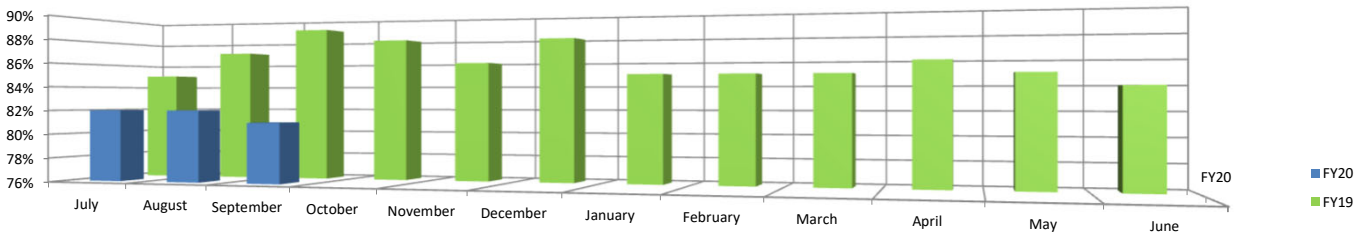
### Connect Mobility Vehicle Miles Between Trouble Calls



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	39,585	19,673	37,424									
FY19	18,403	40,270	20,135	21,038	29,299	36,081	39,760	37,900	39,591	39,116	39,412	39,879

Notes:

### Average Interior Cleanliness Inspection Score

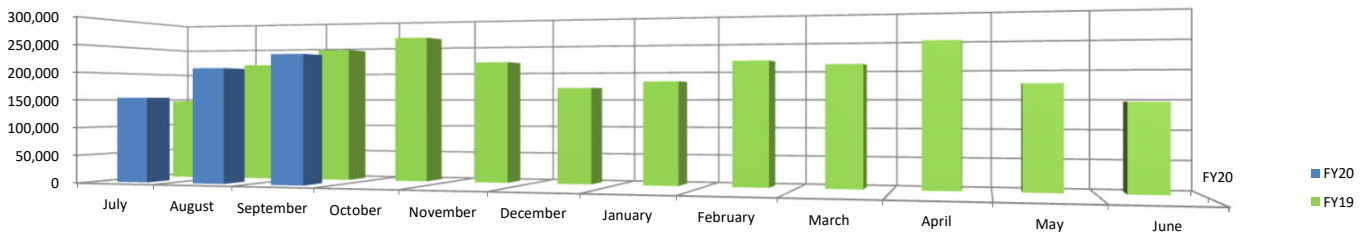


	July	August	September	October	November	December	January	February	March	April	May	June
FY20	82%	82%	81%									
FY19	85%	87%	89%	88%	86%	88%	85%	85%	85%	86%	85%	84%

Notes:

## Ridership Reports

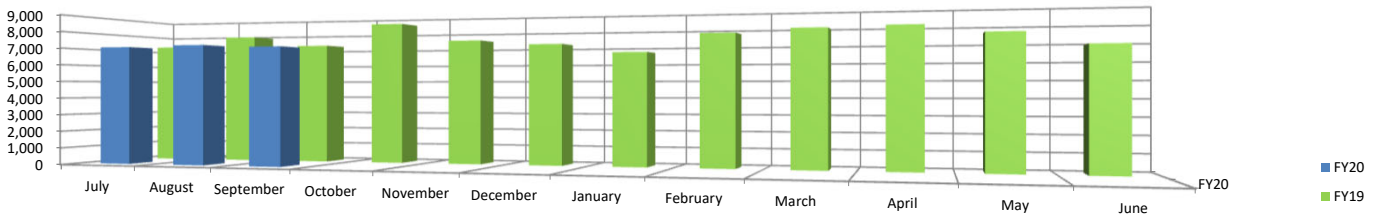
### Fixed Route Monthly Ridership



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	153,754	206,663	230,572									
FY19	147,044	216,235	243,494	264,670	218,148	171,450	182,241	217,324	210,221	248,258	176,834	147,035

Notes: Fixed route trips decreased 5.2% or 12,922 trips in September 2019, Redbird ridership was a majority of this decrease. Connect YTD ridership has decreased 2.6%. National peer agency ridership decreased 8.76% and regional transit agency ridership has decreased 2.27% (July-August).

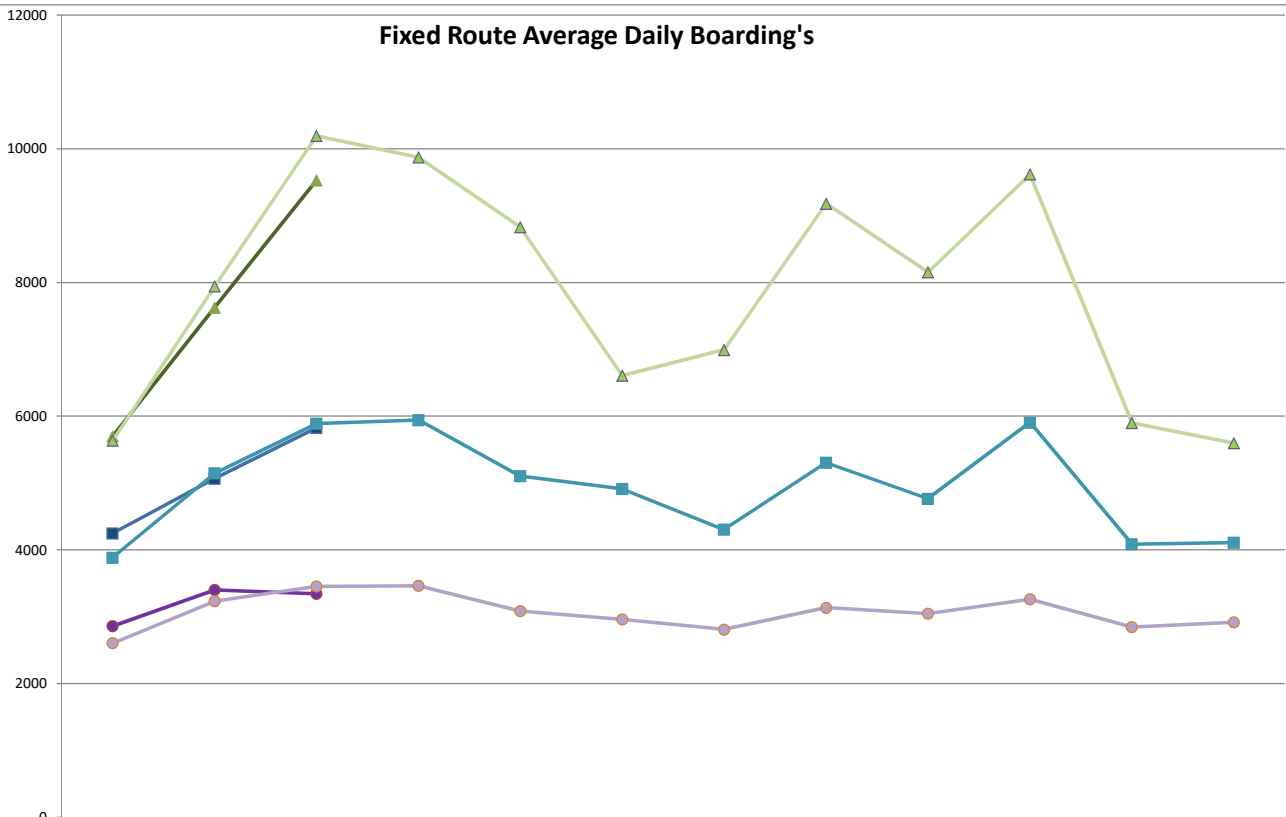
### Connect Mobility Monthly Ridership



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	7,078	7,154	7,022									
FY19	7,253	7,842	7,253	8,540	7,465	7,203	6,688	7,733	7,958	8,054	7,609	6,917

Notes: Connect Mobility trips decreased 3.2% in September and 4.9% YTD.

### Fixed Route Average Daily Boarding's

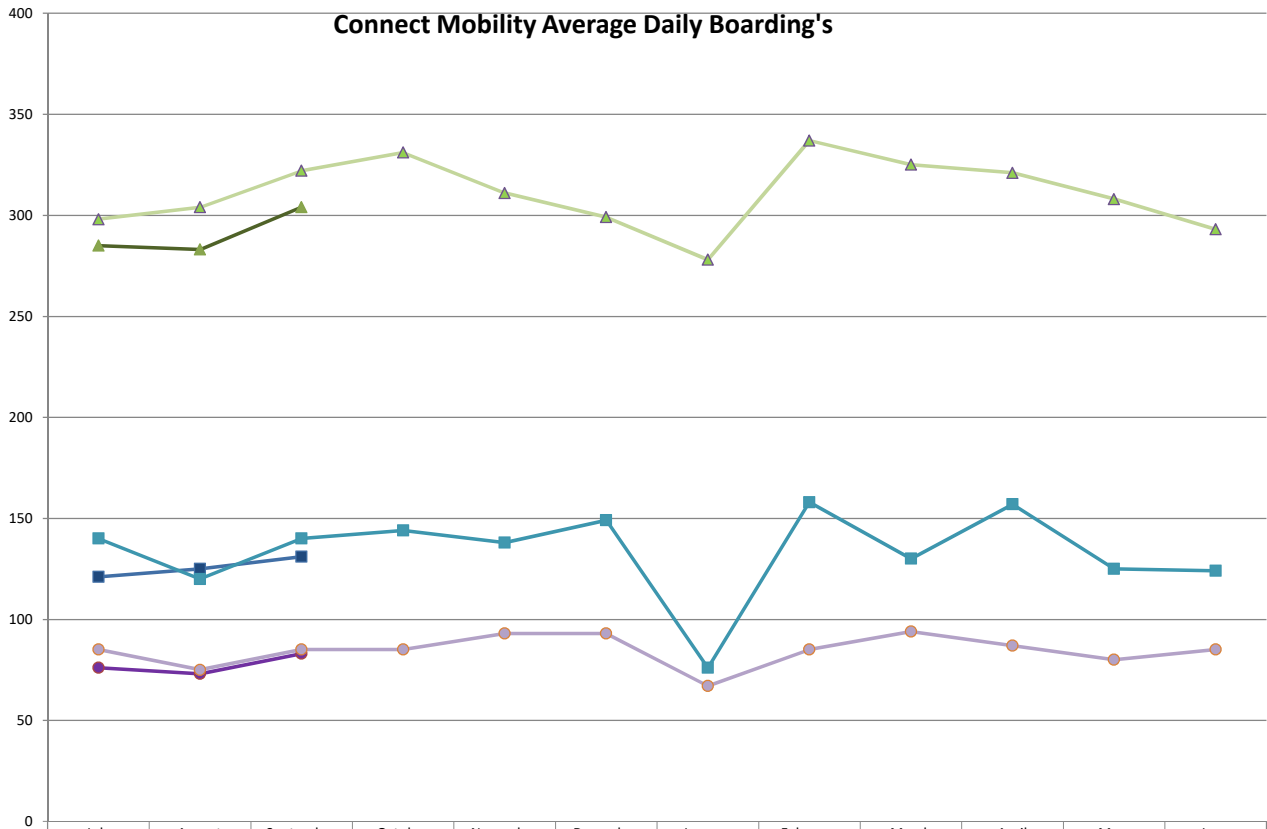


	July	August	September	October	November	December	January	February	March	April	May	June
Sunday FY20	2858	3399	3340									
Sunday FY19	2603	3231	3452	3463	3084	2958	2807	3132	3044	3261	2843	2916
Saturday FY20	4247	5067	5825									
Saturday FY19	3885	5147	5889	5943	5102	4912	4304	5303	4765	5905	4084	4107
Weekday FY20	5697	7624	9529									
Weekday FY19	5635	7943	10191	9872	8829	6605	6991	9179	8151	9618	5896	5596

Notes: Average weekday boardings in September 2019 decreased 6.4%. Sunday average boardings decreased 3.2% in September.



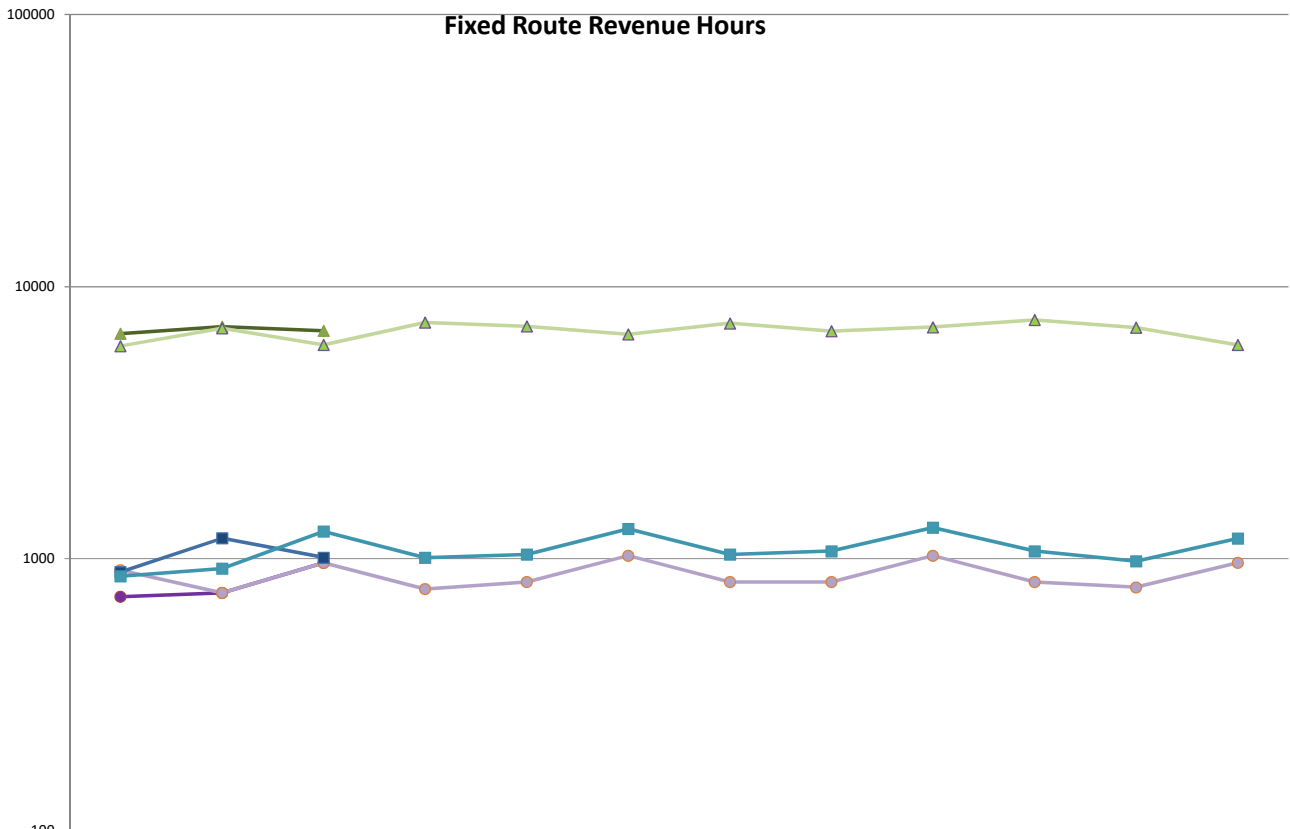
### Connect Mobility Average Daily Boarding's



	July	August	September	October	November	December	January	February	March	April	May	June
● Sunday FY20	76	73	83									
○ Sunday FY19	85	75	85	85	93	93	67	85	94	87	80	85
■ Saturday FY20	121	125	131									
■ Saturday FY19	140	120	140	144	138	149	76	158	130	157	125	124
▲ Weekday FY20	285	283	304									
▲ Weekday FY19	298	304	322	331	311	299	278	337	325	321	308	293

Notes: Average Connect Mobility weekday boarding in September decreased 5.5%.

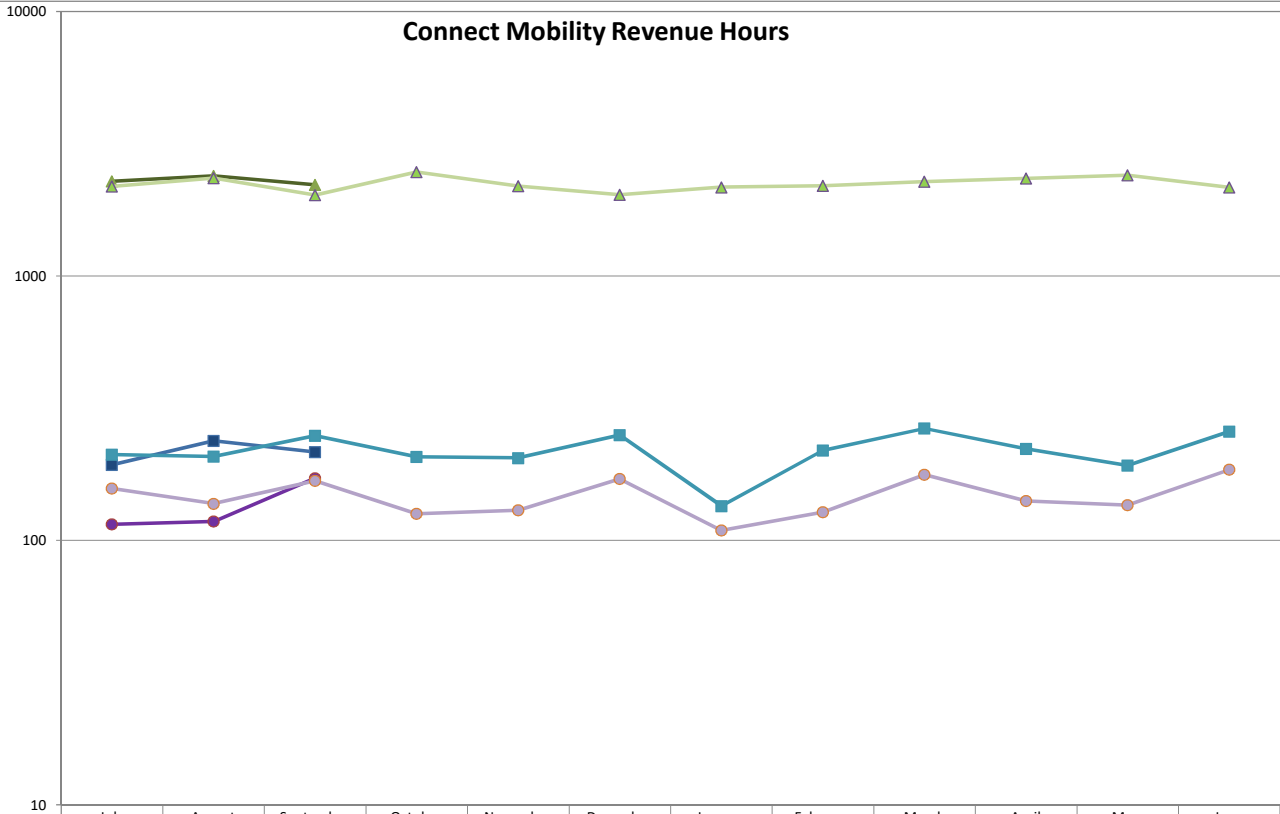
### Fixed Route Revenue Hours



	July	August	September	October	November	December	January	February	March	April	May	June
● Sunday FY20	726	750	967									
● Sunday FY19	907	750	967	774	822	1027	822	822	1027	822	786	967
■ Saturday FY20	894	1190	1011									
■ Saturday FY19	864	920	1261	1009	1036	1288	1036	1067	1303	1067	979	1187
▲ Weekday FY20	6717	7121	6876									
▲ Weekday FY19	6050	7034	6108	7380	7139	6673	7332	6866	7098	7546	7074	6107

Notes:

### Connect Mobility Revenue Hours

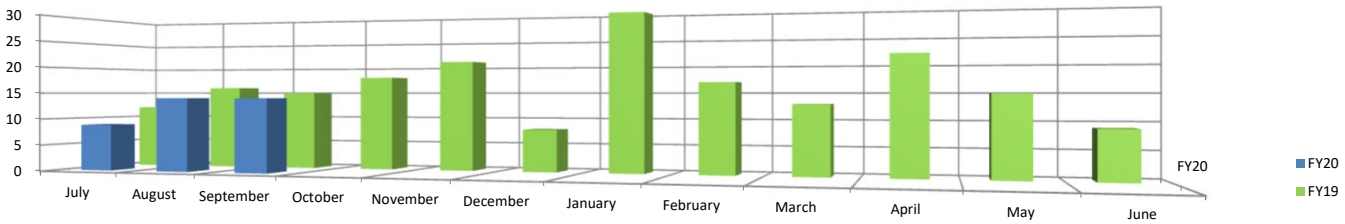


	July	August	September	October	November	December	January	February	March	April	May	June
Sunday FY20	115	118	172									
Sunday FY19	157	138	168	126	130	171	109	128	177	141	136	185
Saturday FY20	193	238	216									
Saturday FY19	211	208	249	207	205	250	135	219	265	222	192	258
Weekday FY20	2278	2391	2213									
Weekday FY19	2181	2346	2024	2473	2184	2029	2165	2191	2271	2340	2402	2162

Notes:

### Safety Reports

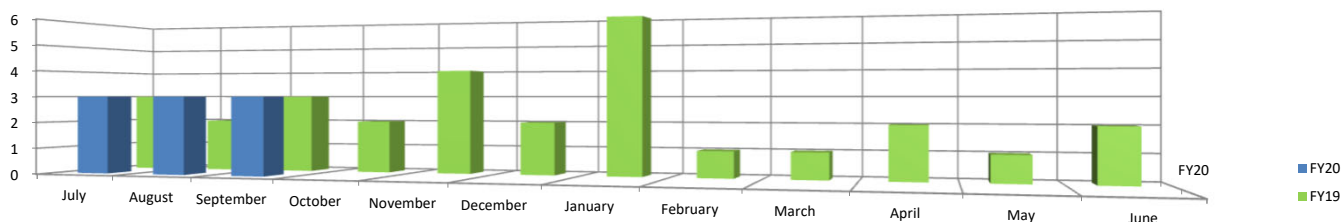
#### Safety Related Incidents Per 100,000 Miles



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	9	14	14									
FY19	12	16	15	18	21	8	30	17	13	22	15	9

Notes: The numbers in this category show the total number of reports received for the calendar month. This number does not indicate whether an incident or accident was determined to be "Preventable". All submitted reports are reviewed and categorized by the Safety and Training Director.

### Preventable Accidents Per 100,000 Miles

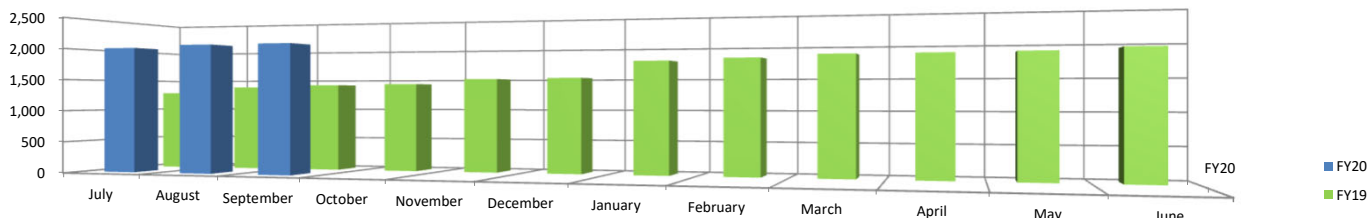


	July	August	September	October	November	December	January	February	March	April	May	June
FY20	3	3	3									
FY19	3	2	3	2	4	2	6	1	1	2	1	2

Notes: **Accident:** An unplanned event that may or may not have resulted in personal injury or property damage, but in which the employee failed to exercise reasonable precautions to prevent the event. This consists of events such as a collision with another vehicle, a collision with a fixed object, closing a vehicle entry/exit door on a customer, etc.

### Social Media Reports

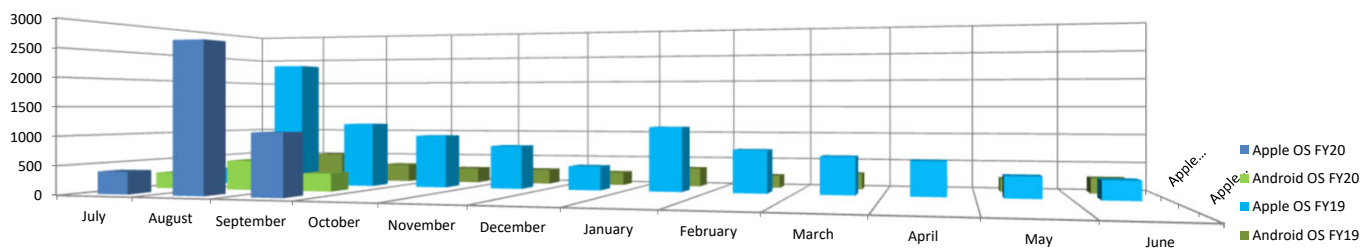
#### Facebook



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	2,015	2,054	2,060									
FY19	1,282	1,382	1,416	1,431	1,509	1,524	1,785	1,821	1,869	1,873	1,886	1,933

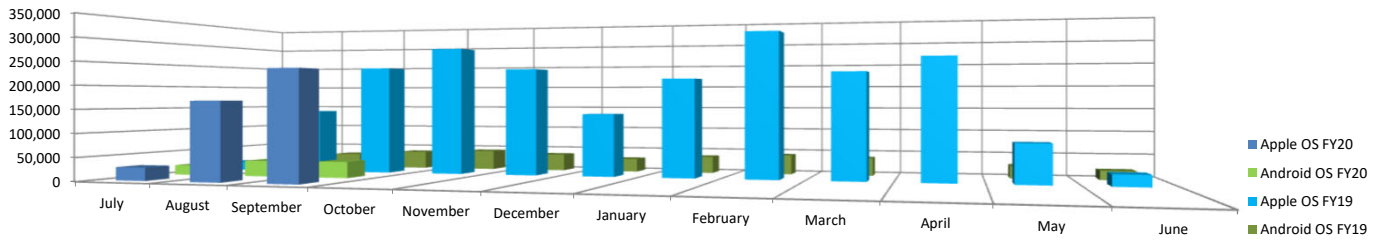
Notes:

#### App Downloads



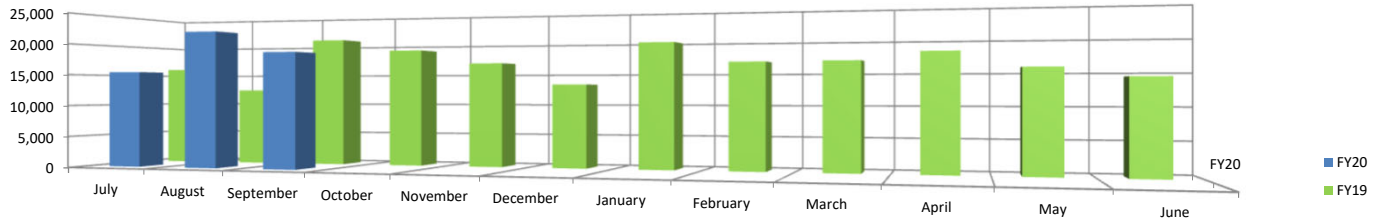
	July	August	September	October	November	December	January	February	March	April	May	June
Apple OS FY20	387	2,624	1,074									
Android OS FY20	282	522	316									
Apple OS FY19	267	2,281	1,167	954	776	425	1,137	747	650	595	365	326
Android OS FY19	222	517	325	271	265	233	332	220	276	237	229	262

### App Sessions



	July	August	September	October	November	December	January	February	March	April	May	June
Apple OS FY20	27,919	167,758	234,074									
Android OS FY20	21,407	33,940	34,860									
Apple OS FY19	18,444	141,402	242,104	285,400	237,834	137,368	215,292	315,378	228,913	259,562	83,283	24,503
Android OS FY19	18,293	31,203	38,928	43,518	37,134	29,309	36,785	42,730	38,655	39,564	26,926	19,577

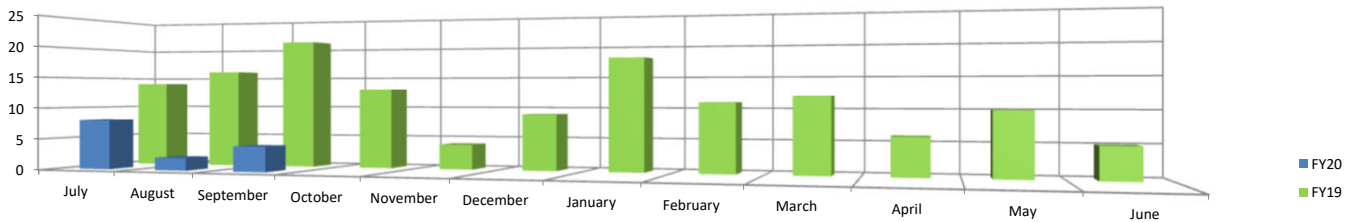
### Website Traffic



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	15,429	21,879	18,495									
FY19	16,048	12,457	20,916	19,059	16,859	13,387	19,993	16,867	16,962	18,275	15,879	14,462

Notes:

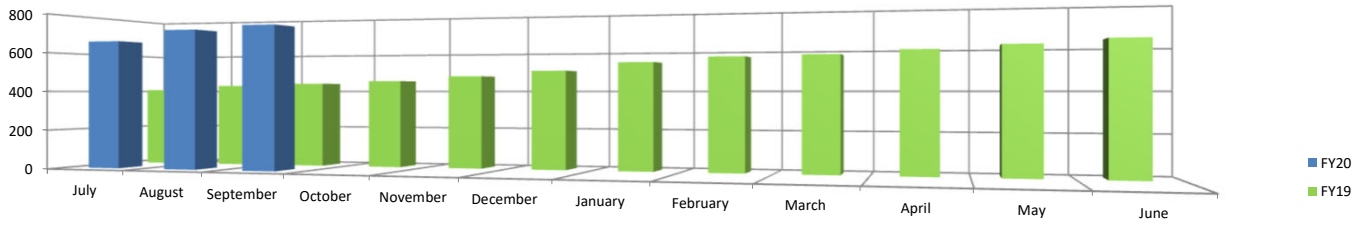
### Twitter



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	8	2	4									
FY19	14	16	21	13	4	9	18	11	12	6	10	5

Notes:

## Instagram



	July	August	September	October	November	December	January	February	March	April	May	June
FY20	661	715	734									
FY19	407	430	441	454	478	505	546	571	578	598	618	641

Notes:



Statistics	Sep 19				Sep 18				% Change			
	Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour	Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour	Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour
<b>Connect Transit</b>												
Green	27,680	7,915	806	34.34	25,379	7,797	794	31.98	9.1%	1.5%	1.6%	7.4%
Red	31,187	14,168	1,320	23.63	31,660	14,153	1,317	24.04	-1.5%	0.1%	0.2%	-1.7%
Lime	26,723	17,279	1,358	19.68	30,683	16,620	1,355	22.65	-12.9%	4.0%	0.2%	-13.1%
Aqua	6,932	2,697	192	36.20	8,311	2,681	189	43.93	-16.6%	0.6%	1.2%	-17.6%
Orange	4,294	4,733	360	11.93	4,899	4,692	356	13.76	-12.3%	0.9%	1.1%	-13.3%
Gold	5,472	4,581	388	14.10	6,256	4,622	380	16.46	-12.5%	-0.9%	2.1%	-14.3%
Purple	11,896	10,975	728	16.34	11,566	10,488	718	16.11	2.9%	4.6%	1.4%	1.4%
Blue	5,477	4,270	374	14.66	4,744	4,321	369	12.87	15.5%	-1.2%	1.4%	13.9%
Brown	5,305	3,977	347	15.30	4,832	3,967	346	13.97	9.8%	0.2%	0.2%	9.5%
Tan	5,828	5,823	472	12.35	5,602	5,757	467	12.00	4.0%	1.1%	1.1%	2.9%
Pink	10,630	4,643	366	29.04	6,941	4,187	366	18.96	53.1%	10.9%	0.0%	53.1%
Yellow	18,341	8,202	572	32.06	19,803	8,156	569	34.82	-7.4%	0.6%	0.6%	-7.9%
Olive	-	-	-	-	4,180	4,196	415	10.07	-100.0%	-100.0%	-100.0%	-
Redbird	57,903	7,771	714	81.10	70,750	7,283	677	104.47	-18.2%	6.7%	5.4%	-22.4%
Silver	7,504	6,616	558	13.45	7,888	6,975	551	14.33	-4.9%	-5.1%	1.4%	-6.1%
Eastview	-	-	-	-	-	-	-	-	-	-	-	-
Red Express	3,060	2,051	160	19.13	-	-	-	-	-	-	-	-
Lime Express	2,340	1,966	140	16.71	-	-	-	-	-	-	-	-
<b>Total Fixed Route</b>	<b>230,572</b>	<b>107,667</b>	<b>8,853</b>	<b>26.04</b>	<b>243,494</b>	<b>105,896</b>	<b>8,867</b>	<b>27.46</b>	<b>-5.3%</b>	<b>1.7%</b>	<b>-0.2%</b>	<b>-5.2%</b>
<b>Demand Response</b>												
Connect Mobility	7,022	30,085	2,601	2.70	7,253	30,303	2,441	2.97	-3.2%	-0.7%	6.6%	-9.1%
<b>Total Demand Response</b>	<b>7,022</b>	<b>30,085</b>	<b>2,601</b>	<b>2.70</b>	<b>7,253</b>	<b>30,303</b>	<b>2,441</b>	<b>2.97</b>	<b>-3.2%</b>	<b>-0.7%</b>	<b>6.6%</b>	<b>-9.1%</b>
<b>SYSTEM TOTALS</b>	<b>237,594</b>	<b>137,752</b>	<b>11,454</b>	<b>20.74</b>	<b>250,747</b>	<b>136,199</b>	<b>11,308</b>	<b>22.17</b>	<b>-5.2%</b>	<b>1.1%</b>	<b>1.3%</b>	<b>-6.5%</b>



Statistics	YTD 20				YTD 19				% Change			
	Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour	Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour	Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour
<b>Connect Transit</b>												
Green	78,153	24,236	2,468	31.67	70,115	23,320	2,373	29.55	11.5%	3.9%	4.0%	7.2%
Red	91,422	44,275	4,125	22.16	89,570	42,894	3,990	22.45	2.1%	3.2%	3.4%	-1.3%
Lime	84,530	52,646	4,245	19.91	91,710	50,365	4,109	22.32	-7.8%	4.5%	3.3%	-10.8%
Aqua	21,979	8,428	601	36.55	26,217	8,401	598	43.84	-16.2%	0.3%	0.6%	-16.6%
Orange	13,782	14,805	1,130	12.20	14,603	14,769	1,124	12.99	-5.6%	0.2%	0.5%	-6.1%
Gold	16,939	14,530	1,207	14.03	20,118	14,628	1,204	16.71	-15.8%	-0.7%	0.2%	-16.0%
Purple	37,074	33,684	2,285	16.22	39,001	33,180	2,273	17.16	-4.9%	1.5%	0.6%	-5.5%
Blue	17,139	13,400	1,173	14.62	14,143	13,445	1,166	12.13	21.2%	-0.3%	0.5%	20.5%
Brown	15,242	12,409	1,082	14.09	15,779	14,166	1,235	12.78	-3.4%	-12.4%	-12.4%	10.3%
Tan	15,950	18,122	1,469	10.86	17,404	21,513	1,744	9.98	-8.4%	-15.8%	-15.8%	8.8%
Pink	31,415	14,662	1,156	27.18	20,568	13,119	1,148	17.92	52.7%	11.8%	0.7%	51.7%
Yellow	44,079	21,496	1,499	29.41	45,995	21,395	1,493	30.81	-4.2%	0.5%	0.4%	-4.5%
Olive	-	-	-		12,679	13,092	1,295	9.79	-100.0%	-100.0%	-100.0%	
Redbird	85,456	11,848	1,099	77.79	104,317	11,272	1,049	99.42	-18.1%	5.1%	4.7%	-21.8%
Silver	22,661	21,750	1,753	12.93	24,338	21,990	1,743	13.97	-6.9%	-1.1%	0.6%	-7.4%
Eastview	-	-	-		216	501	48	4.50	-100.0%	-100.0%	-100.0%	
Red Express	7,636	6,564	512	14.91	-	-	-					
Lime Express	7,532	6,290	448	16.81	-	-	-					
<b>Total Fixed Route</b>	<b>590,989</b>	<b>319,145</b>	<b>26,251</b>	<b>22.51</b>	<b>606,773</b>	<b>318,050</b>	<b>26,591</b>	<b>22.82</b>	<b>-2.6%</b>	<b>0.3%</b>	<b>-1.3%</b>	<b>-1.3%</b>
<b>Demand Response</b>												
Connect Mobility	21,254	93,099	7,934	2.68	22,348	93,759	7,738	2.89	-4.9%	-0.7%	2.5%	-7.2%
<b>Total Demand Response</b>	<b>21,254</b>	<b>93,099</b>	<b>7,934</b>	<b>2.68</b>	<b>22,348</b>	<b>93,759</b>	<b>7,738</b>	<b>2.89</b>	<b>-4.9%</b>	<b>-0.7%</b>	<b>2.5%</b>	<b>-7.2%</b>
<b>SYSTEM TOTALS</b>	<b>612,243</b>	<b>412,244</b>	<b>34,185</b>	<b>17.91</b>	<b>629,121</b>	<b>411,809</b>	<b>34,329</b>	<b>18.33</b>	<b>-2.7%</b>	<b>0.1%</b>	<b>-0.4%</b>	<b>-2.3%</b>





## **Federal Update for Connect Transit**

Prepared by Cardinal Infrastructure  
March 26, 2019 Board Meeting

### **President's 2020 Budget Request**

The President's Fiscal Year (FY) 2020 Budget Request to Congress, "A Budget for a Better America: Promises Kept. Taxpayers First," was released on March 11<sup>th</sup>. The budget document is a list of the Administration's priorities and does not become law.

The U.S. Department of Transportation (USDOT) budget request is for \$21.4 billion in discretionary budget authority for 2020, a \$5.9 billion or 22% decrease from the 2019 discretionary estimate. The FY19 budget estimate is based on the FY18 continuing resolution because the budget request was prepared before the final spending bill was signed.

The Budget request provides the following:

- Fully funds Highway Trust Fund-supported programs at levels consistent with the fifth and final year of the FAST Act.
- \$250 million "plus-up" above FAST Act levels of the Bus and Bus Facility competitive grant program.
- \$1 billion to the Better Utilizing Investments to Leverage Development (BUILD) competitive grant program.
- \$2 billion to the Infrastructure for Rebuilding America (INFRA) competitive grant program.
- \$1.5 billion for the Capital Investment Grant (CIG) program, which includes \$500 million in funding for new projects.
- The Budget also provides a fact-sheet on infrastructure, outlining the Administration's plan to provide \$200 billion over ten years to meet the President's goal of generating at least \$1.5 trillion in total infrastructure investment; which is largely similar to the proposal in FY18 Budget.

For context, last year the President requested \$15.6 billion in USDOT discretionary budget authority. He also requested the elimination of funding for BUILD discretionary grant program and the phase out of the CIG program by limiting funding to projects with existing full funding grant agreements only. As evidenced by the FY19 appropriations bill, Congress went in a different direction.

### **Low-No Grant Program**

FTA released its notice of funding opportunity (NOFO) for \$85 million for the FY19 Low or No Emission Grant Program. Applications are due by 11:59 PM Eastern time on May 14, 2019.

There are a number of new elements to this year's NOFO. Specifically, in determining the allocation of program funds, FTA may consider:

- Projects located in or that support public transportation service in a qualified opportunity zone designated pursuant to 26 USC 1400Z-1; and
- Capping the amount a single applicant may receive; and
- Projects that have a higher local financial commitment may also be prioritized.

As stated in the NOFO: Beginning in FY 2020 FTA will no longer permit applicants to submit applications that include partnerships. Applicants in FY 2020 instead will be required to fulfill the competitive procurement requirement. Furthermore, the NOFO references Executive Order 13858, Strengthening Buy-American Preferences for Infrastructure Projects. Applicants are therefore requested to maximize the use of goods, products, and materials produced in the United States.

### **House Budget**

House Budget Committee Chairman Yarmuth held the "Members' Day" hearing to share principles for the FY20 Budget Resolution. Yarmuth is expected to propose a two-year budget agreement to raise the non-defense and defense spending caps. His hope is to mark up a budget resolution during the first week of April. Senate Budget Committee Chairman Enzi intends to mark up a FY20 budget resolution during the last week of March to establish spending and revenue targets for the next five years, instead of the traditional 10-year forecast.

### **Earmarks**

House Democrats don't plan to revive earmarks (directed spending typically for identified projects) during the upcoming FY20 appropriations process, though they expect to continue discussing the issue with their Republican colleagues. House Appropriations Chairwoman Nita Lowey (D-NY) wrote in a letter, "Unfortunately, there is currently not the necessary bipartisan, bicameral agreement to allow the Appropriations Committee to earmark." In the letter, Lowey communicated that bipartisan discussions about just how to bring back earmarks would continue during the 116th Congress.

In the Senate, Labor-HHS-Education Appropriations Subcommittee Chairman Roy Blunt (R-MO) said, "I think if the House would have changed their rule, we would have had to reconsider. But I think it's unlikely that the Senate takes the lead there."

### **Infrastructure**

Senate Environment and Public Works Committee Chairman Barrasso said, with regards to an infrastructure bill in the Senate, "We're talking basically highway infrastructure, roads, bridges, highway. I met with the Chairman in the House as well and if we do a second infrastructure bill, some of the other things that he's been focused on, broadband and other buildings and construction we might get to. The first thing is highway infrastructure...and that's the focus right now."

Transportation and Infrastructure Committee Ranking Member Graves said, "We are moving forward with an infrastructure bill in the House. The Senate's idea is to just reauthorize a surface transportation bill which is due next year. Graves believes the House has to make a decision whether to do an infrastructure bill separate from FAST Act reauthorization.

### **Advanced Refunding**

The Tax Cuts and Jobs Act of 2017 repealed the exclusion of interest income earned on advance refunding bonds from federal income taxation. This change makes it more difficult for states and local governments to take advantage of a favorable interest rate environment through a refunding of existing bonds (similar to individuals refinancing their home mortgage) which had enabled them to reduce their borrowing costs and free up resources for new projects. A bill was recently introduced that restores the tax-exemption for advance refunding bonds so states and local governments can take advantage of favorable interest rates and more efficiently manage their financial obligations.

## **Highway Trust Fund**

The House Ways and Means Committee, which has jurisdiction over tax issues, held a hearing on, "Our Nation's Crumbling Infrastructure and the Need for Immediate Action." Testifying on the first panel was Transportation and Infrastructure Chairman DeFazio (D-OR) and Ranking Member Graves (R-MO).

In DeFazio's opening remarks, he stated, "My Committee colleagues and I stand ready to direct investment to bring our highways, bridges, transit systems, rail lines, aviation system, and water infrastructure to a state of good repair..." He further remarked, "...we have to provide real revenue for our surface transportation network to shore up the Highway Trust Fund (HTF)."

Graves' agreed with DeFazio in his opening remarks, "The federal government has long played a leading role in infrastructure investment, and we need to continue that role and serve as a reliable partner to state and local governments." With respect to the HTF he said, "All options are on the table, and I'm open-minded to any potential solution." Though not outwardly endorsing an increase to the gas tax, he left the door open. His encouragement of looking into a Vehicle Miles Traveled (VMT) tax also came with the current challenges to pursuing such a system - privacy, data security, etc.

During the hearing, Ways and Means Ranking Member Brady (R-TX) criticized the "diversion" of HTF dollars to "non-highway uses," remarking, "'As we begin this work we should also recognize the challenges, among them the fact that our highway infrastructure program is too often a leaky bucket, with nearly 20 percent of funding diverted to non-highway uses" – which was a reference to the statutory allocation of funds to the Mass Transit Account.

## **White House Infrastructure Initiative**

Cardinal Infrastructure participated in a briefing call and listening session on infrastructure with senior Administration officials hosted by the White House Office of Intergovernmental Affairs. The call provided an opportunity for state and local leaders to voice input on the Administration's upcoming infrastructure package.

Andrew Olmem, Deputy Adviser to the President and Deputy Director of the National Economic Council provided an overview of the Administration's efforts on infrastructure thus far, including:

- The President's "One Federal Decision" Executive Order to review and streamline federal permitting processes;
- The White House infrastructure proposal outline in last year's budget;
- Active bipartisan discussion with Congress on an infrastructure agreement; and
- Reauthorization of the Federal Aviation Administration.

Mr. Olmem outlined a few major infrastructure goals for the Administration in the months ahead:

- To use the upcoming surface transportation reauthorization to advance any major infrastructure reform efforts;
- To pursue additional permitting reforms;
- To identify and pursue innovative financial mechanisms to minimize municipal burdens for infrastructure projects and leverage federal dollars (meaning private sector participation in funding projects); and
- To advance large "bread and butter" projects, such as roads, bridges, and ports, as well as digital infrastructure, broadband projects, and 5G expansion.

State and local officials brought a host of concerns and preferences to the Administration's attention, during the conference call, including: green infrastructure and resiliency; improving the discretionary grant application process to enhance small cities' ability to access competitive funding; revenue solutions to address the solvency of the Highway Trust Fund and increase funding; and providing additional resources for infrastructure necessary for disaster mitigation and recovery.

### **Governors and Infrastructure**

The White House held a session on infrastructure with governors in Washington, DC for the National Governors Association meeting. Attendees included USDOT Secretary Elaine Chao and Commerce Secretary Wilbur Ross. The discussion referenced priorities discussed in the President's initial infrastructure proposal provided in the Administration 2018 budget request; focusing on regulatory and permitting process changes, as well as leveraging existing federal funds with increased state and local investments. The session also emphasized the "self-help" option the Heritage Foundation and the Administration have emphasized.

The readout from the session stated: Governors and Administration officials discussed the inefficiencies in the current Federal regulatory and permitting process that delays new infrastructure projects across the country, how Federal funds can best be used to increase State and Local infrastructure investments, and how States have addressed their own infrastructure backlogs.

### **Automation and Labor**

The Transportation Trades Department, AFL-CIO called on Congress and the President to "take seriously threats posed by automation." The coalition published eight principles aimed at "protecting the livelihoods of transit operators...as automated transit and ride-hailing services enter their communities." Among the priorities, the coalition is asking that transit operators remain on-board autonomous vehicles for safety reasons. They also are calling on Congress to "establish a fund that would supplement wages, health care costs, and training or retraining programs of workers affected by automation."

The policy principles request that transit agencies planning to use AVs "must examine the impact they will have on transit workers and issue a report." The report must include "the potential impacts on current employees' terms and conditions of employment."

The Transportation Trades Department, AFL-CIO, is a coalition of 32 member unions, including the American Federation of State, County and Municipal Employees; Amalgamated Transit Union; Communications Workers of America; Laborer's International Union of North America; National Federation of Public and Private Employees; Transportation Communications Union; and Transport Workers Union of America.