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October 29, 2020

## BY EMAIL

Jim Spering, Chair, and Members  
Blue Ribbon Transit Recovery Task Force

Re: Public Comment on Item 4b, Meeting of Oct. 26

Dear Chair Spering and Members:

As there was not time for public comment on this item during the Task Force meeting, I take this opportunity to provide a few comments in writing.

First, I appreciate the efforts of staff in providing an [initial assessment](#) of the impacts on transit operating revenue resulting from the COVID-19 crisis, and some of the potential funding shifts that could be made at the regional level to mitigate the financial cliff that our region's transit agencies face.

Without adequate intervention at the federal, state, and regional levels, the anticipated scale of the impact — \$400–600 million in this fiscal year, and up to \$1.7 billion in FY 2021–22 — is likely to irreversibly harm the region's transit system and undo the years of investment MTC has made in it. While the entire impact cannot be addressed by MTC on its own, it is clear that there are actions MTC can take to delay the need for layoffs and service cuts and avert that irreversible harm while we await state and federal relief.

For instance, as staff's assessment notes, FTA formula funds (up to \$466 million a year) are eligible for limited operating use (preventive maintenance) in ordinary times. In addition, as a result of California's declaration of a state of emergency, [FTA allows](#) the use of those funds for a range of additional operating uses (including "removal of health and safety hazards, such as cleaning of vehicles and facilities; costs associated with shutting down or restarting service; materials such as hand sanitizer, gloves, soap, and cleaners; emergency protective gear relevant to the emergency; and temporary service, that is not part of regular service, provided in response to the emergency").

Staff's report also notes that federal Surface Transportation Program (STP) funds, amounting to \$97 million a year, could be redirected from non-emergency OBAG grants on a temporary basis. The Federal Highway Administration allows these funds to be "flexed" for use as FTA formula funds, meaning that they would enjoy the same range of emergency eligibility for operating uses noted above.

Staff emphasizes that there are tradeoffs, including the fact that MTC has long had a policy of dedicating FTA formula funds to transit capital replacement, through its Transit Capital Priorities policy. It is certainly important to replace buses and rail cars on an ongoing basis. But the scale and extent of the current crisis, which poses an existential threat to the very existence of public transportation as we know it, outweighs the tradeoff of delaying capital

replacement needs for a year. To put it another way, if transit agencies do not have the opportunity to shift capital funds to emergency operations, they may be left in the ironic position of having new assets when they close their doors. A temporary shift of STP funds from the OneBayArea Grant program may be even more appropriate, since the purpose of OBAG is defeated without adequate levels of transit to serve Priority Development Areas (PDAs).

Shifting \$100 million of funding within MTC's control to emergency operating use would constitute a partial, but meaningful, step towards addressing this crisis, pending additional relief from the state and federal government. Since near-term federal relief remains highly uncertain, we appreciate Ms. McMillan's commitment at the end of her presentation to seeking operating assistance in Sacramento. By taking the limited self-help action that is within its power, MTC's voice will be far more credible in the face of the resistance of our state government and transportation officials. That limited action will also buy our regional transit system crucial time in which to continue running the service that so many of our essential workers and transit-dependent families continue to rely on.

Thank you for the opportunity to provide these perspectives on the role of MTC in protecting our regional transit system during this dire crisis.

Sincerely,

Richard Marcantonio  
Public Advocates, Inc.