

**Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC ABAG Legislation Committee**

January 8, 2021

Agenda Item 3c

Washington D.C. Legislative Update

Subject: December 2020 Report from Washington, D.C. advocate.

Recommendation: Information

Attachments: **Attachment A:** Summit Strategies Team Report – December 2020


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Memorandum

From: Summit Strategies Team
To: Therese McMillan, Executive Director
Date: January 5, 2021
Subject: Federal Policy Monthly Report

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- **Overview**
 - **Appropriations Package**
 - **COVID-Relief Package**
 - **Fixing America's Surface Transportation (FAST) Act Reauthorization Update**
 - **Incoming U.S. Department of Transportation (DOT) Secretary Pete Buttigieg**
 - **Transportation Workers and Vaccine**
 - **Competitive Grant Update**
 - **National Transportation News Roundup**
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Below is a status update on issues of interest to MTC, and actions we have taken.

Appropriations Package

With a 359-53 vote total, Congress passed the 5,593-page omnibus bill providing at least \$3.7 trillion in funding – a package containing all twelve annual appropriations bills, about \$900 billion in additional COVID relief, many extensions of expiring tax and health care provisions, and dozens of other pieces of legislation. The President signed the measure on December 27, 2020.

The FY21 omnibus bill includes 30 divisions – the transportation bill, Division L, appropriates \$86.7 billion in total budgetary resources to the U.S. Department of Transportation, which is \$533 million above the 2020 enacted level. The package includes \$1 billion for National Infrastructure Investments (TIGER/BUILD grants), which equals 2020 levels. The bill's language calls for a 50-50 split of the grants to go to urban and rural areas. The Federal Transit Administration (FTA) received \$13 billion, which is \$37 million above the 2020 enacted level. Additional highlights of the FTA appropriations include:

- \$10.8 billion for formula funds
- \$2.014 billion for the Capital Investment Grants program:
 - \$1.17 billion in New Starts funding
 - \$200 million in Small Starts funding
 - \$525 million in Core Capacity funding
 - \$100 million for the Expedited Project Delivery Pilot Program
- \$516 million for transit infrastructure grants:
 - \$243 million for the Bus and Bus Facilities Program
 - \$125 million for the Low or No Emission Bus Program
 - \$40 million for rural area formula grants
 - \$40 million for high density states grants
 - \$40 million for state of good repair grants
 - \$8 million for ferries, with \$4 million designated for low or no emission ferries
 - \$2 million for bus testing facility grants
 - \$16.22 million for grants for areas of persistent poverty
 - \$1 million for innovative mobility grants to develop software to facilitate demand response transit
 - \$1 million for accelerating innovative mobility grants

COVID-Relief Package

After months of contentious negotiation, lawmakers reached an agreement on the approximately \$900 billion COVID relief measure in time to attach it to the omnibus appropriations package. Congressional leaders finally maneuvered past many contentious issues to finalize the legislation. The bipartisan coalition of moderate Senators who restarted negotiations two weeks ago with a \$908 billion proposal broke the legislation into two pieces. The first portion includes less controversial provisions, such as extending bonus unemployment insurance and many other funding provisions for fighting the virus and vaccine distribution. This framework served as the template for the final package. It also provided more funding for the PPP program to help small businesses. Vehement opposition to the state and local aid from Republicans and Democratic resistance to business liability protections resulted in neither element making it into the bill.

The COVID relief legislation includes \$600 direct payments for individuals, extends \$300 enhanced unemployment insurance until mid-March, \$284 billion for the PPP, \$82 billion for education, \$25 billion for housing assistance, \$15 billion for performance venues, \$69 billion for vaccine distribution and healthcare, \$10 billion for childcare. The bill secures \$45 billion for transportation, including:

- \$16 billion for airlines
- \$10 billion for state U.S. Department of Transportation's
- \$1 billion for Amtrak, including \$655 million for Northeast Corridor Grants and \$344 million for National Network Grants
- \$14 billion for public transit

The funds provided for transportation seek to support the industry until March 31, 2021. We were extremely involved in lobbying the Appropriations Committees, House and Senate Leadership, and the California congressional delegation on the transit components from the very beginning. Through our regular contacts with the key policymakers, we shared the needs facing MTC, and the best formulas to use to address these needs. The majority of the \$14 billion for transit, \$13.27 billion, goes to urban areas, according to FY20 funding for section 5307 urbanized area formula grant and section 5337 state-of-good-repair programs. This differs from the CARES Act by excluding the 5340 "high growth state" formula modifier. Further, the measure differs from the CARES Act in the following way (based on a rather complicated formula):

- Urbanized areas share in this bill combined with CARES Act funding may not exceed 75 percent of the 2018 operating costs as reported to the National Transit Database (NTD).
- Any funding in excess of the 75 percent gets redistributed in the same percentages until every urbanized area receives at least 75 percent of their 2018 operating expenses.
- If any money is left over, it is distributed to those areas between 75 percent and 100 percent of 2018 operating expenses in the proportion that the 2018 operating costs bear to the total operating costs of urbanized areas.
- No urbanized area may receive more than \$4 billion from the amounts allocated in addition to CARES Act funding until 75 percent of the monies provided are obligated and only after the recipient certifies that the use of such funds in excess of this amount is necessary to prevent layoffs or furloughs directly related to demonstrated revenue losses directly attributed to COVID-19.

The remaining funds include \$50 million for section 5310, the elderly/disabled program, and \$678.65 million for section 5311, grants for rural areas.

Fixing America's Surface Transportation (FAST) Act Reauthorization Update

After failing to act in 2020, the 117th Congress will have to address surface transportation reauthorization. The one-year extension of the Fixing America's Surface Transportation (FAST) Act, which authorizes highway, transit, rail, and vehicle safety programs, expires in September 2021.

The FAST Act extension within the continuing resolution provides:

- An extension of FAST Act funding and provisions from FY 2020 to all of FY 2021, including contract authority formula apportionments to states.
- A \$10.4 billion general fund transfer to the Highway Trust Funds's Highway Account and a \$3.2 billion transfer to the Mass Transit Account.
- A \$14 billion general fund transfer to the Airport and Airway Trust Fund, making up for the aviation excise tax holiday included in the [\\$2 trillion CARES Act](#) passed in March.
- Suspension of the Rostenkowski fiscal solvency test for the Mass Transit Account for FY 2021. Without suspending that "test" significant reductions in transit obligation funds would occur in FY 2021.

- An increase to the “multimodal cap” within the U.S. Department of Transportation’s Infrastructure for Rebuilding America or INFRA discretionary grant program from an aggregate total of \$500 million to \$600 million.
- An extension of 2017 and 2018 Better Utilizing Investments to Leverage Development or BUILD grant program obligation deadlines through September 30, 2021.

All indications are that moving a surface transportation reauthorization bill will be a top priority of both Congress and the incoming Biden administration. The Biden transition team has been in regular contact with the House Transportation & Infrastructure Committee and with Chairman DeFazio. There has also been contact between the House and Senate on the matter, and the principals would like to get started on this early in the 117th Congress. Your team has been in close contact with all of the players about MTC’s federal priorities, and in trying to get a few key changes adopted by the House in this new package and we will continue to work on your behalf.

Incoming U.S. Department of Transportation (DOT) Secretary Pete Buttigieg

President-elect Joe Biden has nominated his former presidential primary rival Pete Buttigieg to be Secretary of transportation. While the former mayor of South Bend, Indiana lacks national expertise on broad transportation policy, his impressive resume and political acumen earned him consideration for a place in the Biden cabinet. As Mayor, Buttigieg viewed transportation as about more than just moving vehicles. He led successful efforts on proposals that focused on improving pedestrian safety and using transportation investment as an economic development tool. His presidential platform included a \$1 trillion infrastructure package with a variety of funding measures, including a vehicle-miles-traveled fee and meaningful discussion of conservation and “green” policy initiatives to combat climate change. If confirmed, Buttigieg would make history as the first openly gay cabinet Secretary.

As Secretary, Buttigieg will face an incredibly challenging situation regarding public transportation systems throughout the country. The COVID pandemic has dramatically reduced transit ridership and curtailed local government tax revenues, leading to potentially disastrous service cuts and layoffs. Biden’s commitment to address infrastructure and provide significant funding for the transportation system means Buttigieg will play an essential role in the coming years. There are also many critical policy areas, including addressing the Highway Trust Fund revenue shortfall, FAST Act reauthorization, various clean energy initiatives, that Buttigieg will need to tackle. Chairman DeFazio

has wholeheartedly endorsed his nomination. In a recent interview, Buttigieg indicated that he will prioritize equity, automation, and agency authority during his upcoming tenure.

Transportation Workers and COVID Vaccine

As transportation workers begin helping to distribute the vaccine across the country, essential sectors — including aviation, transit, trucking and ports — are advocating for vaccine priority for their front-line workers. The Centers for Disease Control and Prevention’s (CDC’s) Advisory Committee on Immunization Practices recommended that essential workers, which includes transit workers according to Clinical Immunization Safety Assessment guidance, receive vaccines in the second tranche, following healthcare workers. In recent days, major trade organizations have requested their workforce follow medical and health care professionals in the early rounds of vaccinations. A coalition of aviation groups sent a letter this month to the CDC requesting early vaccine access for their workers. A separate consortium of surface and maritime transportation groups told senators freight rail, port and waterway, and energy workers needed to get the vaccine to help “keep our critical supply chains operating, reinforce the resilience of our transportation networks, and mitigate the risk of economic downturns and their effects at the local, regional, and national levels.” Already a resurgence of outbreaks at the nation’s ports has longshoremen, their families, and maritime officials worried that if port workers do not receive the vaccine early, it could jam the entire supply chain. However, the decision ultimately rests with each state.

Competitive Grants Update

HUD Announces Section 811 Supportive Housing for Persons with Disabilities Program Grants

On Monday, November 30, the U.S. Department of Housing and Urban Development announced the award of \$54.7 million in Section 811 Supportive Housing for Persons with Disabilities funds to 15 organizations. The full list of CIG-supported projects can be found [here](#).

FTA Announces Additional Administrative Relief for Transit Agencies

On Friday, December 11, the U.S. Department of Transportation’s Federal Transit Administration (FTA) announced additional actions to improve access to grant funding and provide relief from certain regulatory and administrative requirements. These actions include extending access to emergency relief funding for operations and allowing more time for transit agencies to meet regulatory requirements for the Public Transportation Agency Safety Plan (PTASP) and Public Transportation Safety Certification

Training Program (PTSCTP) regulations. Additionally, FTA announced the extension of eligibility for formula funding under the Emergency Relief Program to be used to pay for operating expenses, which may now cover operating expenses related to COVID-19 recovery through January 20, 2022, at 100-percent federal share. The full list of adjustments can be found under FTA's recently released [FAQ page](#).

FTA Announces Capital Investment Grants (CIG) Program Grants

On Monday, December 14, the U.S. Department of Transportation's Federal Transit Administration (FTA) announced the award of \$40.9 million in CIG funding to Milwaukee County to support the East West Bus Rapid Transit (BRT) Project in Milwaukee, Wisconsin. The full list of CIG-supported projects can be found [here](#).

FTA Announces Transit-Oriented Development Planning Pilot Program Grants

On Tuesday, December 15, the U.S. Department of Transportation's Federal Transit Administration (FTA) announced the award of approximately \$6.2 million in FY20 Transit-Oriented Development (TOD) Planning funds to 9 projects in 7 states. The full list of the awarded projects can be found [here](#).

FTA Announces Additional Capital Investment Grants (CIG) Program Grants

On Thursday, December 17, the U.S. Department of Transportation's Federal Transit Administration (FTA) announced the award of \$544.3 million in CIG funding to 7 projects in 7 states. The full list of CIG-supported projects can be found [here](#), including TriMet's Red Line project in the anticipated projects section.

HUD Announces Family Self-Sufficiency (FSS) Program Grants

On Friday, December 18, the U.S. Department of Housing and Urban Development announced the award of \$78 million in Family Self-Sufficiency (FSS) funds. The full list of the awarded projects can be found [here](#).

National Transportation News Roundup

Public Transit Has to Come Back. [The Atlantic](#)

Where transit stands with COVID-19 relief bill and FY21 omnibus legislation. [Mass Transit](#)

Smooth-talking Buttigieg to be Biden's infrastructure salesman in chief. [Politico](#)

Traffic fatalities dropped slightly in 2019: NHTSA. [Smart Cities Dive](#)

'Existential Peril': Mass Transit Faces Huge Service Cuts Across U.S. [New York Times](#)

Agencies tap public surveys to gauge transit trends. [Smart Cities Dive](#)

Biden taps former rival Pete Buttigieg for U.S. transportation secretary. [Reuters](#)

The Jet-Setters Scheming to Break All the COVID Rules. [Daily Beast](#)