

July 8, 2021

David Rabbitt, Chair, Programming and Allocations Committee
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

Dear Commissioner Rabbitt:

In advance of the July 14th Programming and Allocations Committee meeting, we are writing to support Agenda Item 3b: Proposed Programming of \$911 million from the American Rescue Plan Act of 2021 (ARP Act) in the San Francisco Bay Region. The CARES and CRRSA Acts provided a \$2.3 billion lifeline to Bay Area transit agencies to preserve the region's transit systems in the face of the devastating ridership and revenue losses due to the pandemic. Most importantly, that funding has ensured the survival of our transit agencies while averting layoffs and enabling safe transit service for those who need it the most. This first allocation of ARP Act funds will help us continue along that pathway as we emerge from the pandemic.

We continue to appreciate the dedication, collaboration and flexibility demonstrated by our labor partners throughout the pandemic. Now that the worst of the pandemic is behind us and the Bay Area begins to emerge from over a year of shelter-in-place, transit agencies are looking to the ARP Act funding to help them recover into the future along with the rest of the economy. MTC's proposed distribution methodology for the ARP Act funds facilitates an equitable and sustainable recovery and will allow MTC to target the initial distribution to ensure all agencies have sufficient funding for the next year of transit operations, stabilizing our systems and forestalling any possible layoffs. The proposed distribution methodology will also make it possible for transit operators to restore service to meet the expected increases in demand through the remainder of 2021, so that buses, trains and ferries are there as people return to a new normal daily routine.

We fully support the proposed allocation of approximately 60% of the ARP funds received by the region to the transit operators as soon as possible, while allowing for the ability to pivot in the future depending on how ridership patterns emerge from the pandemic. We further appreciate that the ARP Act funds are proposed to be used to ensure equal financial footing among operators to the degree possible moving forward, while recognizing that ongoing revenue losses should remain a central consideration in a needs-based distribution methodology.

The trajectory of the recovery is uncertain, evolving, and is expected to take many years. Having more than one distribution of ARP Act funds will allow the region to make a more deliberate and informed decision as we have better information about the trajectory of the recovery, ridership demand, and the unique financial circumstances each transit agency is facing. Accordingly, it will allow for the ARP Act funds to be deployed as strategically as possible to not only restore service in a robust and financially sustainable manner, but to also allow transit operators to meet budget

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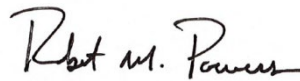
needs and keep workers in their jobs. Restoring service using ARP Act funds will ensure that an appropriate level of transit services helps encourage riders to return to our services.

We want to thank MTC staff for their work to craft the proposed distribution methodology, and the Commission for its past actions to ensure that the Bay Area's federal relief dollars are allocated in an expeditious, thoughtful, and strategic manner under such challenging circumstances. We urge the Committee to support the proposed allocation of the first tranche of the ARP Act funding, and that the Committee recommend that the full MTC Commission act to approve the allocation of ARP funds, as described in the staff report, at its meeting on July 28th. We look forward to our continued partnership to strive to best meet the public's needs with the ARP Act funds and through the work underway with the Blue Ribbon Transit Recovery Task Force.

Sincerely,



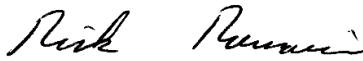
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