



National Capital Region
Transportation Planning Board

April 27, 2020

Re: Ensuring financial stability and viability of NCR transportation system and service post COVID-19

Dear Representatives and Senators of the National Capital Region delegation:

As the federally designated metropolitan planning organization for the National Capital Region (NCR), we thank you for your timely financial support through the Coronavirus Aid, Relief, and Economic Security (CARES) Act last month. We write to request your continued commitment to ensuring the stability and viability of our transportation system following the COVID-19 pandemic. Due to dramatic pandemic-caused declines in fare, tax, and toll revenue, our transportation system and the mobility it provides are under threat.

The region anticipates receiving about \$1 billion from the CARES Act through the Federal Transit Administration's apportionment to help the 13 bus systems operated by NCR jurisdictions. These include the Maryland and Virginia commuter rail and bus systems, and the Metrorail, bus, and paratransit system. Most of the federal employees who live and work in our region rely on these transit systems for their daily commutes. This emergency funding assistance will help NCR's public transportation agencies continue to provide service now, albeit at reduced levels, not only for federal workers, but also critical front-line service-sector employees who staff grocery stores, take-out restaurants, and pharmacies, and our healthcare workers from the doctor to the orderly to the janitor who each works tirelessly keeping our loved ones safe and alive. It will also enable us to meet unplanned additional operational and maintenance needs in the face of significant or total loss in fare-box revenues.

State and local departments of transportation and public transportation agencies in the region have continued to maintain and operate the transportation system and infrastructure during the current period despite the constraints on mobility and economic activity due to efforts to slow the spread of COVID-19. The transportation agencies have also been working to assess their financial situation given potential reductions in revenues and increased expenditures as the region begins to reopen and a period of social and economic recovery gets underway.

As you are aware the fiscal state of the NCR's transportation agencies was challenging before the pandemic, with operations, maintenance, and expansion needs exceeding available revenues. To meet this need local and state governments have developed various other revenue streams, in addition to the user-fee revenues (gasoline and diesel tax, tolls and fare-box), which is critical to support the NCR's transportation system and its economy. Such non-user fee revenue sources include sales tax, recordation tax, transient occupancy tax, general fund related bonds and other revenues generated at local levels.

COVID-19-related mobility restrictions on the economy at local, regional, and state levels have already caused a significant reduction in the aforementioned revenues, which are anticipated to take a long time to fully recover. While the current CARES Act funding focuses on providing relief to transit providers for costs and fare revenue loss, federal assistance in offsetting the losses in other non-user-fee based transportation revenues, both current and those anticipated in the future as the economy recovers, is a significant and urgent need.

The Association of American State Highway and Transportation Officials (AASHTO) estimates that transportation revenues at the state level will be 30 percent below FY 2019 levels. The National Capital Region Transportation Planning Board (TPB) believes that the magnitude of the loss in local, regional, and state revenues for this region will be consistent with AASHTO's projections. The TPB's long range transportation plan, Visualize 2045, indicates that the significant majority, 68 percent, of the \$291 billion in planned investment is derived from state and local government. This implies that a 30 percent reduction in state and local revenues would mean the region would be faced with an average year-on-year shortfall of \$2.2 billion from just this one revenue source.

The TPB posits that a loss of a third or more of all state and local transportation funds for the region will leave the NCR's transportation infrastructure ill-prepared to provide for the mobility needs that will be critical during the economic recovery phase from this pandemic.

The TPB is also concerned that the Fixing American's Surface Transportation (FAST) Act is set to expire September 30, 2020. The TPB believes that in light of the economic impact of the COVID-19 pandemic, reauthorization of the FAST Act is critical and should reflect the following principles:

- (1) Timely reauthorization of the FAST Act for a duration sufficiently long to provide clear commitment to the stability, certainty and consistency of federal funding;
- (2) Ensuring any potential reduction in federal transportation fund receipts due to the COVID-19 pandemic are fully offset so as not to reduce future federal apportionment to states and public transportation agencies;
- (3) Include significant additional funding to local and state governments to mitigate the anticipated shortfall in local and state transportation revenues due to the economic impact of the COVID-19 pandemic; and
- (4) Treat the additional COVID-19 related funds similar to CARES Act funding by eliminating the requirement for matching funds and providing the flexibility to use funds for administrative, maintenance or operational programs.

In closing, the TPB lauds your proactive and timely efforts in enacting the CARES Act last month and providing timely financial assistance for aviation, passenger rail, and transit operations throughout the country and particularly in the National Capital Region.

We are pleased to share the above policy principles for the reauthorization of the FAST Act with you as a member of the region's Congressional delegation. We urge your timely action to ensure that the nation and the National Capital Region have the fiscal means to provide for safe, efficient multi-modal transportation necessary to support in the economic recovery efforts.

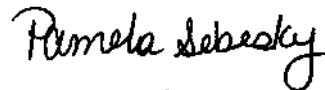
Sincerely,



Kelly Russell
Chair, TPB
City of Frederick



Charles Allen
Vice Chair, TPB
District of Columbia



Pamela J. Sebesky
Vice Chair, TPB
City of Manassas

Identical letters have been sent to:

The Honorable Eleanor Holmes Norton

Congressional Delegation
April 27, 2020

The Honorable Mark R. Warner
The Honorable Benjamin L. Cardin
The Honorable Tim Kaine
The Honorable Chris Van Hollen
The Honorable Steny Hoyer
The Honorable Gerald Connolly
The Honorable Don Beyer
The Honorable Jamie Raskin
The Honorable Jennifer Wexton
The Honorable Anthony Brown
The Honorable David Trone
The Honorable John Sarbanes