

March 19, 2020

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PRESIDENT AND CEO Paul P. Skoutelas

1300 I Street NW Suite 1200 East Washington, DC 20005 p: (202) 496-4800 f: (202) 496-4324 The Honorable Mitch McConnell Majority Leader United States Senate S-230, The Capitol Washington, DC 20510

The Honorable Charles E. Schumer Minority Leader United States Senate S-221, The Capitol Washington, DC 20510 The Honorable Nancy Pelosi Speaker of the House United States House of Representatives H-232, The Capitol Washington, DC 20515

The Honorable Kevin McCarthy Minority Leader United States House of Representatives H-204, The Capitol Washington, DC 20515

Dear Leader McConnell, Speaker Pelosi, Leader Schumer, and Leader McCarthy:

On behalf of America's public transportation industry, which directly employs more than 435,000 workers and supports millions of private-sector jobs, we urge you to provide <u>\$16.0 billion</u> in direct emergency funding to public transit agencies to offset some of their extraordinary direct costs and revenue losses because of the impacts of the novel coronavirus (COVID-19) pandemic in 2020.

We greatly appreciate all of your efforts to help Americans stay healthy and safe during this national crisis. However, more needs to be done to ensure that we can maintain a lifeline for essential services, such as public transportation, in each of our communities.

These emergency funds are necessary to maintain essential services, such as paratransit services for individuals with disabilities; public transportation for health care workers, law enforcement, first responder, and other safety personnel; and Medicaid recipients who receive medical transportation for kidney dialysis, cancer treatments, and other critical care. Without these funds, the overwhelming majority of public transit agencies will be required to suspend or drastically curtail services.

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These funds are also critical to maintain the manufacturing and supply chain for public transportation agencies and limit the enormous economic damage caused by the pandemic.

Based on the American Public Transportation Association's (APTA) survey of 163 public transit agencies and other agency-specific information, we request \$\frac{\$16.0 \text{ billion}}{160}\$ in direct emergency funding for public transit agencies to offset some of their extraordinary direct costs and revenue losses because of the impacts of COVID-19 in 2020. The affected agencies include small, medium, and large public transit agencies—with operating expenses of less than \$10 million to greater than \$100 million. This amount will offset the following estimated costs and revenue losses:

- Direct Costs: \$1.75 billion. Based on the APTA survey, 98 percent of public transit agencies have significant increased direct costs because of COVID-19, such as increased cleaning of vehicles and facilities.
- **Farebox Revenue:** \$7.65 billion. We estimate a 75 percent farebox revenue loss over the March September 2020 period and a 40 percent farebox revenue loss over the October December 2020 period. In FY 2018, farebox revenue totaled \$16.09 billion.
- **Dedicated Sales Tax Revenue:** \$6.25 billion. We estimate a 75 percent dedicated sales tax revenue loss over the March September 2020 period and a 40 percent sales tax revenue loss over the October December 2020 period. In FY 2018, dedicated sales tax revenue for public transportation totaled \$13.17 billion.
- **Restart Costs: \$350 million.** We anticipate that public transit agencies will also face costs associated with restarting operations, including retraining workers.

This \$16.0 billion request is an increase from APTA's March 16, 2020 request of \$12.875 billion. This revised estimate reflects the results of APTA's survey and revised estimates of some of our nation's largest public transportation providers. For instance, on March 17, the New York Metropolitan Transportation Authority requested \$4.0 billion for the New York City public transit agencies alone. In addition, we also support emergency funding for Amtrak and other intercity passenger rail operations.

We greatly appreciate all of your efforts to help Americans through this national crisis. This emergency funding for public transportation is critically important as we work to maintain a lifeline for essential services in each of our communities.

Thank you for your consideration.

Sincerely,

Paul P. Skoutelas President and CEO

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cc: The Honorable Richard C. Shelby, Chairman, Committee on Appropriations, U.S. Senate

The Honorable Nita M. Lowey, Chairwoman, Committee on Appropriations, U.S. House of Representatives

The Honorable Patrick Leahy, Vice Chairman, Committee on Appropriations, U.S. Senate

The Honorable Kay Granger, Ranking Member, Committee on Appropriations, U.S. House of Representatives

The Honorable Susan M. Collins, Chairman, Subcommittee on Transportation, Housing and Urban Development, and Related Agencies (THUD), Committee on Appropriations, U.S. Senate

The Honorable David E. Price, Chairman, Subcommittee on THUD, Committee on Appropriations, U.S. House of Representatives

The Honorable Jack Reed, Ranking Member, Subcommittee on THUD, Committee on Appropriations, U.S. Senate

The Honorable Mario Diaz-Balart, Ranking Member, Subcommittee on THUD, Committee on Appropriations, U.S. House of Representatives

Members of the Senate and House THUD Subcommittees, Committee on Appropriations