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March 23, 2020

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The Honorable Mitch McConnell
Senate Majority Leader
S-230, The Capitol
Washington, D.C. 20510

The Honorable Charles E. Schumer
Minority Leader
S-221, The Capitol
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker of the House
H-232, The Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
H-204, The Capitol
Washington, D.C. 20515

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

Like the rest of the nation, the Orange County Transportation Authority (OCTA) is responding to the coronavirus (COVID-19) pandemic. Our top priority is the safety and security of our employees, our OC Bus riders, those engaged in constructing capital improvements on our multi-modal transportation system and customers and operators of Metrolink, Amtrak, and the 91 Express Lanes. We are closely monitoring public health and social distancing guidance from federal, state, and local officials while we fulfill our responsibility to facilitate those activities deemed essential to fighting the spread of the virus coordinated through the National Incident Management System.

The Department of Homeland Security has designated 16 Critical Infrastructure Sectors, one of which is the Transportation Systems Sector. California Governor Gavin Newsom explicitly cited this language in Executive Order N-33-20, which identifies transportation as essential in preserving the health and safety of Californians. As a result, OCTA remains committed to protecting roadway, mass transit, and passenger rail infrastructure in Orange County. While our immediate focus is the continued utilization of these services to limit the impacts of the pandemic, we remain committed to future improvements that will preserve and enhance Orange County's multi-modal transportation system.

As is the case with the entire transportation sector, OCTA is incurring unforeseen costs, financial hardship and facing significant operational burdens in responding to this unprecedented national crisis. Our OC Bus ridership dropped by almost 60 percent last week, from an average of 120,000 weekday boardings to approximately 50,000. OCTA made the difficult decision to implement a Sunday service schedule, which is about 40 percent of normal service levels, for every

day of the week. At this time, OCTA is not changing paratransit service, keeping in mind our responsibility as an essential service provider for those transit users most susceptible to the virus. In addition, we are closely monitoring on-going construction projects to maintain the long-term stability of our transportation infrastructure. OCTA is confident that these measures will facilitate outbreak response activities while also respecting ever-changing public health guidance.

The COVID-19 response has fundamentally changed the way people interact, and the resulting collapse of non-essential economic activity will have a dramatic impact on the availability of federal, state, and local funding. Short-term revenue decreases will cause extraordinary budgetary constraints. OCTA collects approximately \$48 million annually in transit fares, which partially fund bus operations that help our agency maintain ridership. Transit fares are expected to decrease significantly as a result of our current ridership decline. OCTA will also see a severe decline in revenues from Orange County's half-cent sales tax dedicated to transportation improvements, Measure M2. During the Great Recession, OCTA saw a 20 percent decrease in sales tax revenue, and ridership levels never fully recovered. If the impacts are similar from COVID-19, long-lasting impacts will be felt systemwide. Similarly, gas tax revenues are likely to fall as people across the country heed social distancing guidance, which will only exacerbate the Highway Trust Fund's on-going structural revenue deficit. Given the likelihood of long-term revenue instability, OCTA is planning for an uncertain future while maintaining our long-standing commitment to fiscal responsibility.

While emergency funding to help support these essential services remains paramount; there are also several policy adjustments at the federal level that can take place to ensure continuity of these services moving forward. Specific examples include, but are not limited to:

- Temporary exemptions from certain Federal Transit Administration (FTA) requirements to facilitate expedited service responses to the COVID-19 pandemic, which may include such things as: spare ratio limits, National Transit Database (NTD) reporting, and Title VI hearing and public outreach requirements. Such flexibility will also be required as transit agencies reintroduce service post-pandemic.
- Maximize formula distribution of funding. Impacts are being felt throughout the country; resources should be directed in a manner that expedites dedicated, dependable revenues to each agency to provide necessary services.

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- Adjust the data used as the basis for formula funding distributions that correlate to service levels or ridership due to the ever-changing emergency response required to the pandemic. Specifically, FTA formula distributions based on the NTD reporting and other federal formula funds should be distributed based on conditions as existed previous to the COVID-19 pandemic.
- Streamline National Environmental Policy Act requirements for projects done in response to the COVID-19 crisis to allow delivery of essential services. Relax associated permitting requirements to streamline environmental and project approvals to expedite the use of federal funds.
- Delay planning and outreach requirements on federally-funded projects.
- Allow flexibility in the timeframe and scope of FTA budget revisions to allow grant recipients the necessary discretion to properly target federal funds.
- Temporarily suspend requirements for projects to be included in the Federal Transportation Improvement Program and Regional Transportation Plan to receive funding, allowing projects deemed necessary to proceed faster.
- Allow for emergency exemptions for matching fund and federal share requirements to make up for lost state and federal revenues.
- Suspend the use of performance metrics to ensure efficient delivery of federal dollars, allowing for a more streamlined Federal Transportation Improvement Program amendment process.
- Delay any upcoming deadlines associated with federal rules or regulations that would distract state and local staff from devoting their full attention to the pandemic response and recovery.

On an almost daily basis, OCTA staff discovers more ways in which existing law could be changed to make our COVID-19 response as efficient as possible. We welcome a continued dialogue about potential legislation and policy changes so OCTA can do its part to help the nation and local community adequately respond and successfully recover from the COVID-19 response.

Thank you for your consideration, and if you have any questions or require further information, please do not hesitate to contact Lance Larson, Executive Director of Government Relations, at (714) 560-5908, or Kristin Jacinto, Manager of State and Federal Relations, at (714) 560-5754.

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Sincerely,



Steve Jones
Chairman

SJ:djs

c: Elaine L. Chao, Secretary, Department of Transportation
K. Jane Williams, Acting Administrator, Federal Transit Administration
Nicole R. Nason, Administrator, Federal Highways Administration
The Honorable Nita Lowey, Chair, House Appropriations Committee
The Honorable Kay Granger, Ranking Member, House Appropriations Committee
The Honorable Richard Shelby, Chair, Senate Appropriations Committee
The Honorable Patrick Leahy, Vice Chair, Senate Appropriations Committee
Orange County Congressional Delegation
Darrell E. Johnson, Chief Executive Officer, OCTA
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