OCTA

April 16, 2020

The Honorable Pat Bates
California State Assembly
State Capitol, Room 3048
Sacramento, California 95814

RE: Statutory and Administrative/Regulatory Relief Measures to Support Transit Agencies

Dear Senator Bates:

On behalf of the Orange County Transportation Authority (OCTA), thank you for your steadfast support of the vital services we provide and the essential workers throughout Orange County (OC) who still rely on transit to move them to and from their jobs, while keeping health and safety our top priority during the current coronavirus (COVID-19) pandemic.

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, losing approximately $3 million each month in lost fare revenues. Since the beginning of the COVID-19 pandemic, OC Bus ridership dropped by a little over 70 percent, and paratransit services have dropped over 90 percent. Starting March 23, 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 the beginning of April, OCTA also implemented rear-door boarding on its fixed-route service, furthering social distance protections on our buses.

Fortunately, California was able to capture significant new emergency funding in the federal Coronavirus Aid, Relief and Economic Security (CARES) Act to help maintain transit service levels in the near-term, ensuring that many essential workers throughout our state have the means to travel, as needed. This funding also enables OCTA to protect our frontline employees and OC Bus riders through distributing facial coverings to employees and procuring additional cleaning supplies to increase sanitation and social distancing efforts as directed by our local, state, and federal public health officials.

While the funding provided under the CARES Act is critical to meet near-term operations issues, OCTA anticipates several challenges moving forward, including projected decreases in sales tax revenue that may mirror decreases that took place during the Great Recession, directly impacting transit operations moving forward. In addition, statutory and regulatory mandates put in place before the COVID-19 pandemic present additional barriers as OCTA begins to work toward planning for the reintroduction of service post-pandemic. With this in mind, OCTA supports the various statutory and administrative/regulatory relief measures the California Transit Association have proposed, attached to this letter. These near-term and low- to no-cost actions will ensure OCTA can direct our current funding and staff capacity to advancing public health as we maintain the transit service still needed for Californians. In particular, OCTA supports the following relief measures:

- **Re-evaluate the distribution of Local Transportation Fund (LTF) revenues to transit agencies, accounting for sharp increase in online sales.** Current LTF distribution is based on the place of distribution, rather than where the sale occurs. As the population increasingly turns online to procure essentials, this will significantly decrease available transit funding from the LTF to Orange County due to the low number of distribution centers within the county. Currently LTF funds about 50 percent of OCTA's operations.

- **Postpone implementation of the California Air Resources Board's Innovative Clean Transit regulation.** In responding to the COVID-19 crisis, our transit operations' focus has been on mitigating those impacts. Technology procurements mandates should be delayed so that transit agencies can focus their efforts on operational needs and response after the outbreak is contained. Costly mandates will simply take away from getting service back on the ground.

- **Authorize use of Low Carbon Transit Operations Program (LCTOP) and State of Good Repair (SGOR) funding to support all operating and capital expenses associated with COVID-19 relief.** Granting more flexibility under these funding sources will relieve near-term stresses on our current operation. Allocation directly to transit agencies, with expanded eligibility and streamlined approval processes, will allow agencies to immediately use funding for their systems.

- **Institute hold harmless provision for calculation and allocation of State Transit Assistance Program, SOGR Repair and LCTOP allocations (Local Revenue Basis Only).** Freezing the allocation factors used most recently before the pandemic, for this budget year and the next, will provide transit agencies much needed predictability in these funding streams.

- **Temporarily suspend the financial penalties associated with the Transportation Development Act's requirements that transit agencies obtain specified fixed percentages of their operating budgets from passenger fares.** Similar to the flexibility provided to the education system, OCTA recommends removing financial penalties for non-compliance with farebox recovery requirements as our ridership continues to decrease.

Again, we thank you for your leadership through these uncertain times and welcome the opportunity to further discuss the proposed relief measures with you. If you have any questions about this request, 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.

Thank you for your consideration.

Sincerely,

Steve Jones
Chairman

SJ:al
Attachment

c: Orange County State Legislative Delegation
David S. Kim, Secretary, California State Transportation Agency
Chad Edison, Chief Deputy Secretary for Rail and Transit, California State Transportation Agency
Betty T. Yee, Controller, California State Controller's Office
Keely Bosler, Finance Director, State of California Department of Finance
Joshua Shaw, Executive Director, California Transit Association
Darrell E. Johnson, Chief Executive Officer, OCTA
Platinum Advisors, LLC
Topp Strategies, LLC

April 7, 2020

The Honorable Gavin Newsom, Governor
State of California
State Capitol, Suite 1173
Sacramento, CA 95814

The Honorable Toni Atkins, President Pro Tempore
California State Senate
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon, Speaker
California State Assembly
State Capitol, Room 209
Sacramento, CA 95814

RE: Statutory and Administrative/Regulatory Relief Measures to Support Transit Agencies

Dear Governor Newsom, President pro Tem Atkins, and Speaker Rendon:

On behalf of the California Transit Association, thank you for your leadership during the public health crisis, your staffs' attention to our industry's needs, and for your steadfast support of California's essential workers still relying on public transit agencies to move about.

As you well know, the COVID-19 pandemic precipitated an existential crisis facing transit agencies statewide, as fare revenue losses and the escalating cost of front-line efforts to maintain public health severely threatened agency fiscal solvency and operational capacity. With your support, California was able to capture significant new emergency funding in the federal Coronavirus Aid, Relief and Economic Security (CARES) Act to help maintain transit service levels in the near-term, ensuring that many essential workers throughout our state have the means to travel as needed. Over the mid- to long-term, our members anticipate that additional funding will be necessary to backfill for revenue lost from the expected decline in sales tax revenue, to prevent from becoming permanent service cuts made in response to state and local directives, and to stave off future cuts that could further set transit service back. We are working with our members to scope the anticipated revenue losses on the horizon, as well as any need for more state and federal supplemental funding. When we have completed that work, we look forward to engaging with you to discuss the various options before the state.

In the meantime, we respectfully commend to you a variety of near-term and low- to no-cost actions the Administration and the Legislature can take today to reduce transit agency costs and ensure transit agencies direct their current funding and staff capacity to advancing public health as they maintain the transit service still needed for Californians that must travel but have no other option.

The **attachment** accompanying this transmittal letter includes a series of statutory and administrative/regulatory relief measures – sourced from our member agencies – that would, among other things:

- Temporarily eliminate counterproductive financial penalties for non-compliance with various transit funding efficiency measures;
- Create more flexibility in the use of existing transit funding; and,
- Temporarily postpone the time-lines for various enforcement actions, regulatory milestones and the use of funding requirements that would otherwise shift agency resources away from the core mission during the crisis.

Again, we thank you for your leadership through these uncertain times and we welcome the opportunity to further discuss our proposed relief measures with you. Our paramount concern is preserving lifeline and essential mobility options during this crisis; and we look forward to working with you to restore public transportation in California to the national model it was before the pandemic.

If you have any questions, please contact me at 916-893-9299.

Sincerely

Joshua W Shaw

Joshua W. Shaw
Executive Director

cc: The Honorable Betty Yee, Controller, State of California
The Honorable Jim Beall, Chair, Senate Transportation Committee
The Honorable Holly Mitchell, Chair, Senate Budget and Fiscal Review Committee
The Honorable Jim Frazier, Chair, Assembly Transportation Committee
The Honorable Phil Ting, Chair, Assembly Budget Committee
David Kim, Secretary, California State Transportation Agency
Toks Omishakin, Director, California Department of Transportation
Richard Corey, Executive Officer, California Air Resources Board
Members, Executive Committee, California Transit Association

COVID-19 Response: Statutory & Administrative/Regulatory Relief Measures for Public Transportation Agencies

Statutory Relief Measures:

1. **Institute hold harmless provision for calculation and allocation of State Transit Assistance Program, STA-State of Good Repair and Low Carbon Transit Operations Program allocations (Local Revenue Basis Only).**

   Justification: For 50% of all funds allocated under these three programs, current law requires the State Controller to calculate funding apportionments for each eligible transit agency based on the ratio that the transit agency's local revenue bears to the total local revenue of all eligible transit agencies within the area of jurisdiction of each agency's transportation planning agency, county transportation commission or regional board.

   Due to the COVID-19 pandemic, transit agencies statewide are experiencing significant declines in local revenue (largely passenger fares so far, but this will soon include reduced local-option sales taxes), but these impacts are not being experienced uniformly and to the same degree between transit agencies. This requirement, left unaddressed, will lead to unwarranted and potentially significant redistribution of funding apportionments between agencies in the jurisdiction of the same transportation planning agency, county transportation commission or regional board. This requirement, which chiefly guides apportionments for the State Transit Assistance Program, also guides apportionments for the STA-State of Good Repair Program and the Low Carbon Transit Operations Program.

   This proposal provides transit agencies predictability, by directing the State Controller to: "freeze" for the budget year and the year after that the local revenue allocation factors used most recently before the pandemic; and, to allocate to transit agencies funds under these three programs using those exact same allocation factors (i.e. as opposed to updating the factors each year, which would redistribute the funds in unanticipated ways).

   Please note: While this proposal pegs the factors to the data *to be published* by the State Controller this August, 2020, which *may seem* like data that would naturally be "affected" adversely by the local transit fare revenue impacts of the pandemic, *in fact* the State Controller will be publishing this August data submitted by transit agencies from the close of their fiscal year 2018-19 (i.e. as of June 30, 2019). This data set is thus the latest data available that will *not* be adversely affected by the pandemic. Current law would usually then direct the State Controller to update the local revenue ratios each quarter after the first quarter's allocation; this proposal also "freezes" in place that process, which *otherwise would* start to be adversely affected by the pandemic's impacts on local transit revenue.

Proposed Amendment:

[Section 99314.8 of the Public Utilities Code](#) is amended to read:

(a) Notwithstanding any other law, for **~~the third and fourth quarters of the 2015-16 fiscal year, and for all four quarters of~~** the **~~2016-17~~** ***2020-21 and 2021-2022*** *fiscal* year***s***, the Controller shall calculate and publish the allocation of all funds made ***available*** pursuant to Section 99314 to each transportation planning agency and county transportation commission, the San Diego Metropolitan Transit Development Board, the member agencies of the Altamont Commuter Express Authority, and the member agencies of the Southern California Regional Rail Authority based on the ***same individual operator ratios published by the Controller in its State Transit Assistance Allocation transmittal memo dated August 2020.*** **~~same list of operators and the same individual operator ratios published by the Controller in its original Fourth Quarter State Transit Assistance Allocation transmittal memo for the 2014-15 fiscal year, unless the Controller has subsequently published revisions or adjustments to its original Fourth Quarter State Transit Assistance Allocation transmittal memo for the 2014-15 fiscal year, in which case the revised or adjusted list of operators and individual operator ratios shall be used~~**.

~~(b) Each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board may apply the individual operator ratios calculated for the third quarter of the 2015-16 fiscal year pursuant to this section to any undistributed funds remaining from the first and second quarters of the 2015-16 fiscal year.~~

(***b***~~c~~) Upon allocation of funds pursuant to this section to each transportation planning agency and county transportation commission, the San Diego Metropolitan Transit Development Board, the member agencies of the Altamont Commuter Express Authority, and the member agencies of the Southern California Rail Authority, the Controller shall publish the amount of funding applicable to each operator.

(c) This section applies to Section 75230 of the Public Resources Code and Section 99312.1 of the Public Utilities Code.

2. Temporarily suspend the financial penalties associated with the Transportation Development Act's requirements that transit agencies obtain specified fixed percentages of their operating budgets from passenger fares.

Justification: Current law requires transit agencies to obtain specified fixed percentages of their operating budgets from passenger fares (often called "farebox recovery ratio requirements") in order to receive their full share of the Transportation Development Act's Local Transportation Fund (LTF) revenues. Transit agencies that fail to meet this requirement face financial penalties, which reduce the LTF funding available to them for capital and operations.

Given the COVID-19 pandemic, this requirement, which was originally established to ensure transit agencies deliver cost-effective transit service, will instead penalize transit agencies that are experiencing – *through no fault of their own* – unprecedented declines in transit ridership and fare revenue or that are eliminating fares entirely to facilitate social distancing between transit operators and riders.

Proposed Amendment:

[Section 99268.9 of the Public Utilities Code](#) is amended to read:

99268.9. (a) Except as otherwise provided in subdivision (b), if an operator was allocated funds under this article during a fiscal year in which it did not maintain the required ratio of fare revenues to operating cost, the operator's eligibility to receive moneys from the local transportation fund and allocations pursuant to Sections 99313.3 and 99314.3 shall be reduced during a subsequent penalty year by the amount of the difference between the required fare revenues and the actual fare revenues for the fiscal year that the required ratio was not maintained. The penalty year shall be the fiscal year that begins one year after the end of the fiscal year during which the required ratio was not maintained.

…

(c) Notwithstanding this section, no transportation planning agency or county transportation commission, nor the San Diego Metropolitan Transit Development Board, shall impose the financial penalties described in subdivision (a) in or due to fare ratios calculated and maintained in an operator's fiscal year 2019-20 or 2020-21.

(d) Subdivision (c) of this section shall become inoperative commencing January 1, 2022.

3. **Temporarily suspend the financial penalties associated with the State Transit Assistance Program's requirement that transit agencies' operating cost per revenue vehicle hour may not exceed operating cost per revenue vehicle hour adjusted by regional CPI, year over year.**

Justification: Current law requires transit agencies to hold operating cost per revenue vehicle hour constant year-over-year, as adjusted for inflation, in order to apply their share of State Transit Assistance Program funds fully toward operations. Transit agencies that fail to meet this requirement face financial penalties, which limit the funding from their total share that could be applied to operations (i.e. these dollars may only be used for capital expenditures).

Given the COVID-19 pandemic, this requirement, which was originally established to ensure transit agencies deliver cost-effective transit service, will instead penalize transit agencies that are experiencing – *through no fault of their own* – sudden increases in maintenance and sanitation costs for transit vehicles to protect public health.

Proposed Amendment:

[Section 99314.6 of the Public Utilities Code](#) is amended to read:

(a) Except as provided in Section 99314.7 , the following eligibility standards apply:
(1) Except as provided in paragraph (3), funds shall be allocated for operating or capital purposes pursuant to Sections 99313 and 99314 to an operator if the operator meets either of the following efficiency standards:
(A) The operator shall receive its entire allocation, and any or all of this allocation may be used for operating purposes, if the operator's total operating cost per revenue vehicle

hour in the latest year for which audited data are available does not exceed the sum of the preceding year's total operating cost per revenue vehicle hour and an amount equal to the product of the percentage change in the Consumer Price Index for the same period multiplied by the preceding year's total operating cost per revenue vehicle hour.

(B) The operator shall receive its entire allocation, and any or all of this allocation may be used for operating purposes, if the operator's average total operating cost per revenue vehicle hour in the latest three years for which audited data are available does not exceed the sum of the average of the total operating cost per revenue vehicle hour in the three years preceding the latest year for which audited data are available and an amount equal to the product of the average percentage change in the Consumer Price Index for the same period multiplied by the average total operating cost per revenue vehicle hour in the same three years.

…

(e) Notwithstanding this section, an operator shall be exempt from meeting either efficiency standard under subdivision (a)(1) for the 2020-21 and 2021-2022 fiscal years and may expend funds for operating or capital purposes pursuant to Sections 99313 and 93314 during that period.

4. **Authorize use of Low Carbon Transit Operations Program dollars to support all operating and capital expenses associated with COVID-19 relief.**

Justification: Current law requires transit agencies to use Low Carbon Transit Operations Program dollars *only* to enhance or expand their transit service, increase transit mode share, or for the purchase of zero-emission buses and the installation of necessary equipment and infrastructure. These limits on the use of LCTOP funds were established by the State Legislature to ensure that these dollars, sourced from the Greenhouse Gas Reduction Fund, deliver year-over-year climate benefits.

The COVID-19 pandemic's impact on fare revenue and expected impact on sales tax revenue has resulted in transit agencies dramatically curtailing service hours and cutting deeply service lines. Transit agencies require flexibility in the dollars already allocated to them to maintain existing service and stave off additional service cuts during this crisis, which could lead to GHG increases.

Proposed Amendment:

Section 75230 of the Public Resources Code is amended to read:

(a) The Low Carbon Transit Operations Program is hereby created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities.
…

(v) A recipient transit agency shall be exempt from the requirements of this section for 2020-21 and 2020-22 and may expend program moneys allocated for the 2019-20, 2020-21 and 2021-22 fiscal years and any unspent program moneys allocated in a previous fiscal year on operating or capital expenses to maintain service and backfill lost revenue due to the coronavirus public health emergency, including the purchase of personal protective equipment, and paying the administrative leave of operations personnel due to reductions in service.

5. Authorize State Transit Assistance Program-State of Good Repair dollars to support all operating and capital expenses associated with COVID-19 relief.

Justification: Current law requires transit agencies to use State Transit Assistance – State of Good Repair dollars only to maintain or repair their existing transit vehicle fleet or existing transit facilities, including rehabilitation or modernization of existing vehicles or facilities; design, acquisition, and construction of new vehicles or facilities that improve existing transit services; or, to complement local efforts for repair and improvement of local transportation infrastructure.

The COVID-19 pandemic's impact on fare revenue and expected impact on sales tax revenue has resulted in transit agencies dramatically curtailing service hours and deeply cutting service lines. Transit agencies require flexibility in the dollars already allocated to them to maintain existing service and to stave off additional service cuts during this crisis.

Proposed Amendment:

Section 99312.1 of the Public Utilities Code is amended to read:

(a) Revenues transferred to the Public Transportation Account pursuant to Sections 6051.8 and 6201.8 of the Revenue and Taxation Code for the State Transit Assistance Program are hereby continuously appropriated to the Controller for allocation as follows:

(1) Fifty percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314.

(2) Fifty percent for allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313.

…

(g) A recipient transit agency shall be exempt from the requirements of this section for 2020-21 and 2021-22 and may expend program moneys allocated for the 2019-20, 2020-21 and 2021-22 fiscal years and any unspent program moneys allocated in a previous fiscal year on operating or capital expenses to maintain service and backfill lost revenue due to the coronavirus public health emergency, including the purchase of personal protective equipment, and paying the administrative leave of operations personnel due to reductions in service.

6. Postpone Transportation Development Act and Senate Bill 1 audit requirements.

Justification: Current law requires transit agencies to regularly submit audits to their regional planning agency, transit development board or county transportation commission and the state, detailing how funds from the Transportation Development Act were expended and reporting on the efficiency, effectiveness, and economy of their operations. These audits are time- and resource-intensive, requiring coordination between multiple divisions within a transit agency.

Due to the COVID-19 pandemic, transit professionals are focused primarily on maintaining the fiscal solvency and operational capacity of their transit systems and protecting public health. These requirements would shift limited financial and staff resources from these critical functions when transit agencies can least afford it.

Proposed Amendments:

Section 99245 of the Public Utilities Code is amended to read:

(a) Each transportation planning agency, transit development board created pursuant to Division 11 (commencing with Section 120000), and county transportation commission shall be responsible to ensure that all claimants to whom it directs the allocation of funds pursuant to this chapter shall submit to it an annual certified fiscal audit conducted by an entity other than the claimant.

A report on the audit shall be submitted to the transportation planning agency, transit development board, county transportation commission, and to the Controller within 180 days after the end of the fiscal year. However, the responsible entity may grant an extension of up to 90 days as it deems necessary. The report shall include a certification that the funds allocated to the claimant pursuant to this chapter were expended in conformance with applicable laws and rules and regulations. Except for the first report, the report shall also include the audited amounts for the fiscal year prior to the fiscal year audited.
(b) Notwithstanding this section, no transportation planning agency, transportation development board, or county transportation commission shall require a claimant to whom it directs allocation of funds pursuant to this chapter to submit to it an annual certified fiscal audit described in subdivision (a) for the 2019-20 fiscal year before June 30, 2021.

Section 99246 of the Public Utilities Code is amended to read:

(a) The transportation planning agency shall designate entities other than itself, a county transportation commission, a transit development board, or an operator to make a performance audit of its activities and the activities of each operator to whom it allocates funds. The transportation planning agency shall consult with the entity to be audited prior to designating the entity to make the performance audit.

…

(f) Notwithstanding this section, no performance audit otherwise required to be prepared pursuant to this section and otherwise required to be submitted to the director as described in subdivision (c) and made available to the public as described in subdivision (e) in calendar year 2020 shall be required to be submitted to the director and made available to the public any earlier than June 30, 2021.

Administrative/Regulatory Relief Measures:

1. Expedite Caltrans's release of Federal Transit Administration 5310 and 5311 funds for rural operators.

Justification: Under federal law, Caltrans is the designated recipient of federal transit funding for non-urban areas. Caltrans is charged with allocating this funding to non-urban transit agencies, known as subrecipients, by entering into standard agreements with them or through a process of reimbursement. Typically, it takes between 12 and 18 months for transit agencies to receive their share of federal funds after submitting a claim to Caltrans.

Caltrans still has some federal funds on hand, allocated through the most recent federal process, which have not been allocated to transit agencies. And, the federal government recently passed the CARES Act, authorizing another $3.74 billion in emergency relief funding for California transit agencies, a great deal of which will be processed by Caltrans.

The COVID-19 pandemic requires urgent action by the state to process these claims, streamline coordination between responsible state agencies, authorize safer claims handling, and to frontload investment to transit agencies wherever possible. These urgent actions will help transit agencies maintain existing transit service levels during the crisis.

Proposed Administrative Changes:

a. Dedicate additional Caltrans staff to completing or amending standard agreements and reviewing future reimbursement requests for FTA 5310 and FTA 5311 funds. Expedite coordination between program manager, Caltrans Accounting department, and the State Controller's Office.

   Relevant agency-department: CalSTA; Caltrans; State Controller's Office

b. Authorize e-signatures in place of wet signatures for standard agreements for FTA 5311 funds.

   Relevant agency-department: State Controller's Office; CalSTA; Caltrans

c. Authorize upfront payment of an appropriate percentage (25% to 50% is recommended) of FTA 5311 funds directly to eligible recipients and postpone semi-annual reporting requirements. The balance of money should be apportioned by Caltrans after the department receives billing and documentation verifying funding has been used for COVID 19 expenses.

   Relevant agency-department: Federal Transit Administration; Caltrans

2. Provide temporary flexibility in LCTOP and STA-SOGR funding.

Justification: See 'Justification' under Statutory Relief Measures 4 and 5.

Proposed Administrative Changes:

a. Authorize a recipient transit agency under the Low Carbon Transit Operations Program to expend program moneys on operating or capital expenses to maintain service and backfill lost revenue due to the coronavirus public health emergency, including the purchase of personal protective equipment, and paying the administrative leave of operations personnel due to reductions in service.

   Relevant agency-department: CalSTA; ARB

b. Authorize a recipient transit agency under the State Transit Assistance-State of Good Repair Program to expend program moneys on operating or capital expenses to maintain service and backfill lost revenue due to the coronavirus public health emergency, including the purchase of personal protective equipment, and paying the administrative leave of operations personnel due to reductions in service.

   Relevant agency-department: CalSTA; Caltrans

3. Temporarily suspend requirements that Transportation Development Act claims go to transit governing boards before submitting to Regional Transportation Planning Agency.

Justification: The California Code of Regulations authorizes RTPAs to impose requirements on transit agencies for the processing of TDA funding claims. Pursuant to this authorization, RTPAs statewide require transit agencies to submit their TDA claims to transit agency governing boards before submitting them to the RTPA.

Due to the COVID-19 pandemic, transit governing boards are meeting less frequently and generally to address only the most pressing concerns of their systems. This requirement, left unaddressed, may slow the receipt of critical funding at transit agencies. Transit agency staff should be allowed to process and submit these claims to RTPAs during the crisis, to speed the flow of needed funds.

Proposed Administrative Change:

a. Direct Caltrans to update guidance to RTPAs statewide to temporarily suspend the imposition of any requirement for TDA claims to be approved by a transit agency's governing board before submitting to RTPA.

   Relevant agency-department: CalSTA; Caltrans

4. Temporarily suspend enforcement of expired Class B licenses.

Justification: The California Highway Patrol, based on direction from the Department of Motor Vehicles, has issued guidance to California law enforcement personnel encouraging them to exercise flexibility and discretion when reviewing DL/ID and VR records. This directive is in effect through May 15, 2020 and will be re-evaluated closer to that date.

While DMV offices are closed for most functions, transit agencies with operators holding expired Class B licenses require certainty from the state so they can plan, and adjust as necessary, the provision of transit service during the crisis.

Proposed Administrative Change:

a. Direct DMV-CHP to exercise discretion for an additional 60 days (for a total of 120 days) in their enforcement of expired commercial driver's licenses

   Relevant agency-department: CalSTA; DMV; CHP

5. Temporarily suspend California Highway Patrol audits of vehicles, and drug and alcohol testing & operations.

Justification: The California Highway Patrol conducts audits of transit agency vehicle fleets and operations on an annual basis, comprised of three components: a mechanical audit of vehicles, audit of drug and alcohol testing, and an audit of operators (i.e. drivers).

A transit agency designated for an audit during the COVID-19 pandemic may face challenges in complying while maintaining transit service, as these audits generally take several days to complete and can require significant staff time and paperwork. This concern is compounded by the fact that many transit agencies are anticipating significant staff shortages.

Proposed Administrative Change:

a. Direct CHP to suspend audits of vehicles, drug and alcohol testing & operations for 120 days

   Relevant agency-department: CalSTA; CHP [possibly in concert with the Federal Motor Carrier Safety Administration]

6. Postpone implementation of the California Air Resources Board's Innovative Clean Transit regulation, beginning with the June 30 deadline for large agency rollout plans.

Justification: The California Air Resources Board's Innovative Clean Transit regulation requires large transit agencies (100 > vehicles in maximum annual service) to soon submit rollout plans detailing their proposed transition to zero-emission transit bus technology. These plans must be approved the transit agency's governing board before they are submitted to ARB.

Due to the COVID-19 pandemic, the transit professionals who would normally conduct the in-person site visits with consulting teams, utility companies and bus manufacturers for critical project scoping and plan refinement are currently unable to do so. Moreover, executive staff and the governing boards who would usually approve such plans are also meeting less frequently for non-emergency items.

Proposed Regulatory Change:

a. Within the Innovative Clean Transit regulation, postpone the deadline for the submittal of rollout plans by large agencies from June 30, 2020 to December 31, 2020.

   Relevant agency-department: ARB

7. Postpone development and implementation of the California Air Resources Board's Commercial Harbor Craft regulation.

Justification: The California Air Resources Board is beginning the development of a new regulation affecting commercial harbor craft. These vehicles are operated by several transit agencies in the state for passenger service, including the Golden Gate Bridge, Highway and Transportation District, Long Beach Transit and the San Francisco Water Emergency Transit Authority. Comments on the regulatory concept are due to ARB by April 30.

Due to the COVID-19 pandemic, transit professionals are focused primarily on maintaining the fiscal solvency and operational capacity of their transit systems and protecting public health. This artificial deadline would shift limited financial and staff resources from these critical functions when transit agencies can least afford it.

Proposed Regulatory Change:

a. Postpone the development of the commercial harbor craft regulation until *at least* January 1, 2021.

   Relevant agency-department: ARB

8. Extend the expenditure deadline for Low Carbon Transit Operations Program awards.

Justification: The COVID-19 pandemic has slowed the delivery of transit projects and transit vehicles funded by the Low Carbon Transit Operations Program. If expenditure deadlines are not extended, transit agencies will be forced to forfeit awards from the Low Carbon Transit Operations Program, just when agencies are focused primarily on maintaining the fiscal solvency and operational capacity of their transit systems and protecting public health.

Proposed Regulatory Change:

a. Extend the expenditure deadline for Low Carbon Transit Operations Program awards.

   Relevant agency-department: CalSTA; Caltrans