

**Staff Evaluation of Services Provided by
Potomac Partners, DC for 2021**

The following narrative provides specific information with respect to major issues addressed by Potomac Partners, DC (PPDC) as the Orange County Transportation Authority's (OCTA) primary federal legislative advocate, in 2021. Each issue has been evaluated based on effort and outcome using a rating of excellent, very good, good, fair, or poor.

Coronavirus (COVID-19) Pandemic Response

Effort: Excellent; Outcome: Excellent

Discussions related to the COVID-19 response were again one of the dominant policy issues in 2021. While the passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act in 2020 provided significant relief for transit and transportation agencies, at the end of 2020 and beginning of 2021, renewed discussions took place about additional stimulus funding, recognizing that the funds provided by the CARES Act would not sustain various programs due to the unforeseen length of the pandemic. While OCTA worked with many trade coalitions to achieve policy outcomes, including the American Public Transportation Association (APTA) and the California Transit Association, PPDC was tasked with ensuring that OCTA's unique project and funding needs were readily understood by Orange County's delegation. This included regular communications from PPDC to not only Orange County's delegation, but also key members of Congressional leadership on the continued needs facing transit and transportation agencies, how various formulas would impact services, and sought to prevent any unnecessary hurdles to putting the funds to immediate use.

These communications were immensely successful in guiding the passage of two additional rounds of stimulus funding under the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) and the American Recovery Plan Act of 2021 (ARPA). Between the transit operations funding provided under the CARES Act, CRRSAA, and ARPA, Orange County received a little over \$450 million in supplemental funding, allowing OCTA to sustain essential transit service through the pandemic and implement protective measures against COVID-19 for employees and customers.

Notably, unlike the CARES Act, CRRSAA also included \$10 billion in stimulus funding for the Highway Infrastructure Program, which was distributed by formula to the states. California received \$911.8 million in funding from this program, which was partially suballocated to the regions. In total, OCTA received about \$26.4 million, which was used to help fund the Transit Security and Operations Center and provide additional funding for local agencies to address road maintenance and repair needs. After the passage of the CARES Act, PPDC maintained in their communications to Congressional offices that while the funding provided for transit was critical, there were

also other transportation programs that needed address. These types of communications led to the creation of programs like this.

Finally, in the ARPA, new funding was included to address funding challenges for Capital Investment Grant projects. In initial drafts of the language, the OC Streetcar project, although not yet completed, would not have been eligible for these funds. Due to the work of PPDC to ensure the OC Streetcar was eligible, through conversations with members of the Orange County legislative delegation and leadership, the final language did include stimulus funding for the OC Streetcar project. In total, the project will receive an additional \$9.4 million from this program.

Policy Priorities in Reauthorization in Infrastructure Discussions

Effort: Excellent; Outcome: Excellent

Beyond COVID-19 response discussions, Congress was required to take action on several important transportation topics – namely work on surface transportation reauthorization, with the Fixing America's Surface Transportation (FAST) Act, which expired on September 30, 2020. Since the expiration, the FAST Act has undergone a number of short-term extensions to afford additional time to negotiate a long-term reauthorization bill. As of the writing of this review, the Infrastructure Investment and Jobs Act (IIJA), a bipartisan infrastructure bill that reauthorizes surface transportation programs for five years, was awaiting signature by the President. Negotiations continued on a reconciliation bill that includes a number of additional funding proposals. Within these discussions, PPDC worked to advance several OCTA policy priorities:

- Similar to the language secured in 2019 in the Senate Environment and Public Works Committee draft reauthorization legislation, PPDC was able to advance language to enact Transportation Infrastructure Finance and Innovation Act reforms in the IIJA, as requested by OCTA. While not all OCTA's requested reforms were included, the inclusion of the language in the IIJA could allow OCTA to more creatively pursue TIFIA loans in the future, including for master credit agreements. The ability to secure additional language also secures OCTA's voice as an agency expert on the use of TIFIA to deliver projects.
- Working with key delegation members to mold policy proposals related to mandates for zero-emission bus technology and transit security measures. In order to inform these efforts, PPDC worked to educate members of Congress on existing requirements under state and federal law, innovative approaches taken by OCTA, and floated revisions to these proposals that would allow transit agencies within California to best take advantage of these efforts. This included briefing OCTA's delegation offices on unique issues related to the use of hydrogen fuel as it pertains to taking advantage of the alternative fuel excise tax credit. Based on some of these discussions, language is included in IIJA which provides recognition to agencies in competitive grant programs where those agencies have zero-emission fleet conversion plans in place. In addition, work is being done with several Orange County delegation members to provide further incentives to fleet conversion. OCTA did work to try to include language which

would have also better tracked the performance of this technology and the associated incentive programs to ensure they were adequately funding the conversion and there were not unintended consequences. Unfortunately, such proposal was not successful this year.

- Informing discussions associated with proposed tolling provisions in the reauthorization bill. Such provisions presented significant challenges in the operation of existing facilities, the future of interoperability and development of future facilities. PPDC advised on the potential for future reforms and associated strategy and worked to understand the perspective of key members of Congress. Ultimately, minimal changes in the area of tolling were included in the IIJA, which is testament to the work done by PPDC and others to prevent overly cumbersome policy changes.

While not all OCTA policy propels were successful, the passage of the IIJA not only provides some certainty and stability to future federal transportation funding, but also provides significant new opportunities to advance OCTA projects and programs. Overall, there is approximately \$567 billion in funding for transportation programs over five years. Annual highway funding authorizations increase by \$115.75 billion, a 49 percent increase over current spending levels. Transit funding authorizations increase by \$42 billion, 65 percent more than current funding levels. The bill also provides a significant increase for federal rail programs, providing roughly equivalent transit and rail funding. Over the next five years, the bill provides a total of \$106.9 billion for transit programs and \$102 billion for rail. PPDC worked throughout the process to ensure these funds flowed through existing formulas to the maximum extent possible, without added, burdensome requirements. As the funding is appropriated, PPDC will need to work to ensure appropriations at least match authorized amounts and are not implemented in a manner inconsistent with the policies included in the IIJA.

Appropriations and Grant Funding Opportunities

Effort: Very Good; Outcome: Very Good

In a significant change in direction related to the use of earmarks in both reauthorization discussions and appropriations bills, both the House and Senate entertained requests for earmarks, rebranded as “member designated projects” or “community project funding” requests. Subject to added transparency requirements, and limitations on overall amounts a member could request, PPDC ensured OCTA projects and programs were included. Among the projects included in appropriations and reauthorization proposals were State Route 91 improvements, the Transit Security and Operations Center, signal synchronization, and an Orange County/Los Angeles Border Transit Study. While no vehicle that provides project-specific funding has passed, PPDC worked every step of the way to include OCTA priority projects in these proposals. This included drafting project submittals and support letters, sharing guidelines and other parameters for project submittals, and meeting with individual delegation offices to determine priorities.

Related to discretionary grants, PPDC again led efforts to secure support from delegation members for projects pursued by OCTA. While OCTA was not ultimately successful in receiving funding from these programs, Administration officials often cited strong delegation support as something that was rated very highly when reviewing OCTA grant applications. Further work will be necessary to position OCTA more competitively within these programs going forward, with PPDC helping to brainstorm ideas.

General Services

Effort: Very Good; Outcome: Good

With COVID-19 preventing travel by OCTA officials to Washington DC this year, normal PPDC processes to schedule face-to-face meetings with members of Congress, staff, and members of the Administration to discuss issues of importance to OCTA were put on hold. Given the challenges associated with COVID-19, PPDC has remained responsive to requests by OCTA, provided timely information, advice, and reports. While the bulk of PPDC's work for OCTA surrounded informing federal policy discussions, PPDC also worked on several other issues on behalf of OCTA including promptly responding to questions from federal delegation members and advising on new policy proposals. This included participating in meetings requested by Orange County delegation staff and in tracking policy proposals by transportation advocacy groups such as APTA and the International Bridge, Tunnel and Turnpike Association.

Earlier in 2021, PPDC also scheduled meetings with new and existing delegation members to brief them on OCTA programs and projects. Then throughout the year, PPDC continued to facilitate meetings with delegation offices to inform policies under discussion. While PPDC was not able to secure meetings with every delegation member, there continued to be conversations with those offices to promote OCTA interests.

Overall Rating

Effort: Very Good; Outcome: Excellent

PPDC's efforts overall are rated as very good based on responsiveness, time dedicated to advocating for and advancing of OCTA's positions and policies, timeliness of information, assisting in building cooperative relationships with Congress and members of the Administration, and availability. PPDC's outcomes overall are rated as very good based on the outcomes of the issues discussed.