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MARCH 23, 2020

TO: BOARD OF DIRECTORS

FROM: PHILLIP A. WASHINGTON PAW
CHIEF EXECUTIVE OFFICER

SUBJECT: FEDERAL COVID-19 LEGISLATION – TRANSIT FUNDING

ISSUE:

As the Board was made aware on March 19, 2020, last week I authored letters to members of the Los Angeles County Congressional Delegation to urge that Congress include funding for our agency in response to the COVID-19 pandemic and more broadly, to render financial assistance to transit agencies across the nation.

Yesterday, we were made aware that legislation being crafted in response to the pandemic in the U.S. Senate does include funding – in the amount of \$20 billion – for transit agencies across the nation. Specifically, the legislation provides \$16 billion to transit agencies through a well-established formula program (5307) and provides another \$4 billion for rural transit agencies.

This morning, Speaker Pelosi released a copy of the House's proposal. The House bill includes \$25 billion for transit agencies and distributes the funding through a slightly different manner than the Senate proposal.

BACKGROUND:

As the COVID-19 pandemic grew in scale and scope last week, our agency initiated a cross-department effort to compile the current and future financial impact this emergency is having and will continue to have on our agency. In the letter shared with members of the Los Angeles County Congressional Delegation, we outlined that our agency stood to lose over \$700 million in local and state sales tax revenues over the coming year, at least \$11 million a month in lost fare revenue due to steep declines in ridership and at least \$35 million in material and labor costs related to the cost of increasing our cleaning program across our transportation network.

Once Metro's COVID-19 letter was shared with members of the Los Angeles County Congressional Delegation, our agency promptly followed up with congressional aides to emphasize the operational and financial impact the COVID-19 pandemic is having on our agency. Our agency also shared our COVID-19 correspondence with the American Public Transportation Association and major transit entities, such as the New York Metropolitan Transportation Authority and the Chicago Transit Authority, to ensure that our advocacy - both for our agency and industry - was done in an effective and coordinated manner.

NEXT STEPS:

As of last night and into this morning, the House and Senate are continuing to vigorously negotiate the terms and text of their COVID-19 legislation – which is being referred to as the COVID-3 package – since it is the third legislative vehicle Congress has considered in response to the pandemic.

We will keep the Board fully apprised of this matter once the final COVID-3 package is adopted by the U.S. House of Representatives and the U.S. Senate and subsequently signed into law by the President.