

3/26/2020 - Washington Policy Update

PHASE 3 - The “Coronavirus Aid, Relief, and Economic Security Act” or the CARES Act.

The Senate unanimously passed the CARES Act March 25, 2020.

The House is expected to vote on **Friday, March 27, 2020**.

Division A - Support for Employment

- Establishes a program for small business loans;
- Provides relief for individuals and families;
- Provides assistance to severely distressed sectors of the economy;
- Amends the tax code to delay tax payments or suspend the collection of certain taxes;
- Addresses the manufacturing and supply of medical products; and
- Expands testing for the virus and other healthcare related issues, as well as education and labor provisions linked to the impact of the coronavirus.

Division B - Emergency Appropriations

Army Corps of Engineers Funding - Includes a budgetary provision that would deem all future expenditures from the Harbor Maintenance Trust Fund (HMTF) as “off-budget” or “mandatory” spending. This would make it easier to spend down the \$9 billion surplus of the HMTF and ensure future revenues are invested in port, harbor, and waterway infrastructure projects in a timely manner. This provision does not take effect until January 1, 2021 or the date of enactment of a new Water Resources Development Act (WRDA) bill and remains in effect thereafter.

\$10B for Airport Grants

- Funds from the General Fund of the Treasury, not aviation trust fund.
- Funds are only available to airport sponsors defined under law.
- Funds may NOT be used for any purposes not directly related to the airport.
- \$500M to pay 100% federal share of grants made in the 2019 Omnibus appropriations bill.
- \$7.4B for any purpose for which airport revenues may be used under current aviation law. 100% federal share.
- 50% allocated to all commercial service airports based on 2018 emplacements.
- 50% allocated to all commercial service airports based on airports debt service.
- Federal share of costs is 100% federal.
- \$2B for any purpose for which airport revenues may lawfully be used, is distributed using the Airport Improvement Program (AIP) formula (which also ensure a minimum apportionment to commercial service airports). 100% federal share. The reduction in AIP for airports that collect a Passenger Facility Charge (PFC) has been waived for these funds.
- \$100M appropriated to general aviation airports at 100% federal share for any purpose for which airport revenues may lawfully be used.

- \$56M for essential air service program.
- All airports receiving funds shall continue to employ, through December 31, 2020, at least 90 percent of the number of individuals employed by the airport as of the date of enactment of this Act. The Secretary may waive this requirement for economic hardship related to meeting the requirement or the requirement reduces safety. This requirement does not apply to non-hub airports.

\$25B for Transit Infrastructure Grants to prevent, prepare for, and respond to Coronavirus.

- Distributes amounts using formulas under law, with some exceptions.
- Funding for each transit program will be in proportion to what the program received in 2020.
- State of good repair funds are added to and administered under the urbanized area formula grants program.
- Funds shall be apportioned within 7 days of enactment of the bill.
- 2020 apportionment formulas are to be used to distribute the funds.
- Waives the restrictions on using funds for the operating costs of transit agencies in urbanized areas related to response to the coronavirus public health emergency including:
 - Reimbursement for operating costs to maintain service and 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.
 - Waives the requirements to include operating expenses in metropolitan or statewide transportation planning documents.
 - The Secretary shall NOT waive labor standards like prevailing wage or worker protections.
 - Funds are all general funds, and not subject to any limitation on obligations.
 - Federal share is 100%.

Railroads

- \$492M to Amtrak NEC to remain available until expended, to prevent, prepare for, and respond to coronavirus. Funds may be transferred and merged with Amtrak National Network grants.
- \$526M to Amtrak National Network grants to remain available until expended, to prevent, prepare for, and respond to coronavirus.
- States shall not be required to pay more the 80% of the amount paid in 2019.
- \$239M is made available for use in lieu of any increase in a State's payment.
- Funds under both categories may be used to amend existing grants.

Highway Policy

- Language to clarify that states can issue special permits for overweight vehicles and loads to allow for the free flow of critical relief supplies during the current coronavirus epidemic for the duration of the fiscal year

Coronavirus Relief Fund - Direct Payment to Units of Local Government

- \$150B is appropriated for making payments to States, Tribal Governments, and units of local government.
- \$3B is reserved for DC, Puerto Rico, US Virgin Islands, Northern Mariana Islands, and American Samoa.
- \$8B for payments to Tribal governments.
- State payments are based on a population formula – a minimum of \$1.250B for each state.
- Units of local government may also receive payments but must provide a certification, signed by the Chief Executive of the local government that the local governments uses of the funds are consistent with how funds may be used under the bill - to cover only costs that are necessary expenditures due to the coronavirus; were not accounted for in the most recent approved budget as of the date of enactment of this bill; and were incurred between March 1, 2020 and December 30, 2020.
- 45% of the amounts to states are subject to the payments to local government units based upon the population of the unit of local government in the state where it is located.

The CARES Act does not include funding for highways like the 2008 ARRA did. There is strong speculation that a PHASE 4 stimulus will be crafted to address other infrastructure not included in PHASE 3. States and local governments have all requested funding for the loss of revenues from fuel taxes and sales taxes that are invested in transportation.

As discussions begin regarding PHASE 4, AMPO and its partners will strongly advocate for the priorities as described in our [letter](#).

We are also working with the USDOT to provide some administrative relief that may be needed in order to avoid non-compliance with regulations, such as public meetings or policy board meetings. As the impacts of the coronavirus continue to be felt, please let us know how your MPO is being impacted and what could potentially be done to provide relief.

AMPO will continue to provide updates as things develop and move forward in Washington.

If you have any questions about our letter or otherwise please feel free to contact AMPO staff at any time.