

Federal Relations Update

AC Transit

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July 14, 2021



VAN SCOYOC
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Infrastructure bill - The key issues

- **What should be included?**
 - Road, bridges, transit, rail, airports, ports
 - Wastewater and drinking water
 - Clean energy
 - Broadband
 - Education, childcare, paid leave, nutrition
- **How to pay for it?**
 - Increase in corporate tax rates
 - Indexing federal gas tax
 - Fees on electric vehicles
 - Recapture unspent COVID relief funding
 - Infrastructure Bank
 - Bonding

Infrastructure proposals for transit

Baseline - \$12.2 billion/year

- **President Biden – American Jobs Plan**
 - Initial proposal - \$2.3 trillion in new spending over 8 years
 - Transit funding - increase plus baseline was \$22.8 billion/year
- **Senate Republican Counter-offer**
 - Froze transit at \$12.2 billion/year
 - No agreement
- **Bipartisan Senate Agreement – Reached June 24**
 - \$577 billion in new infrastructure spending over 5 years
 - \$973 billion in new spending plus current baseline over 5 years
 - Would provide \$21.9 billion/year for transit (baseline plus new spending)

Bipartisan Infrastructure Framework

This bipartisan infrastructure framework will usher our nation's infrastructure into the 21st century. It would represent the largest infrastructure investment in American history. The plan includes \$579 billion in new spending to rebuild America's roads and bridges, improve public transit systems, expand passenger rail, upgrade our ports and airports, invest in broadband infrastructure, fix our water systems, modernize our power sector, and improve climate resilience.

The plan would be paid for in part by closing the tax gap, redirecting unspent emergency relief funds, and other offsets.

	Amount (billions)
Total	\$579
Transportation	\$312
Roads, bridges, major projects	\$109
Safety	\$11
Public transit	\$49
Passenger and Freight Rail	\$66
EV infrastructure	\$7.5
Electric buses / transit	\$7.5
Reconnecting communities	\$1
Airports	\$25
Ports & Waterways	\$16
Infrastructure Financing	\$20
Other Infrastructure	\$266
Water infrastructure	\$55
Broadband infrastructure	\$65
Environmental remediation	\$21
Power infrastructure incl. grid authority	\$73
Western Water Storage	\$5
Resilience	\$47

**New spending + baseline (over 5 years) = \$973B*

**New spending + baseline (over 8 years) = \$1,209B*

Proposed Financing Sources for New Investment

- Reduce the IRS tax gap
- Unemployment insurance program integrity
- Redirect unused unemployment insurance relief funds
- Repurpose unused relief funds from 2020 emergency relief legislation
- State and local investment in broadband infrastructure
- Allow states to sell or purchase unused toll credits for infrastructure
- Extend expiring customs user fees
- Reinstate Superfund fees for chemicals
- 5G spectrum auction proceeds
- Extend mandatory sequester
- Strategic petroleum reserve sale
- Public private partnerships, private activity bonds, direct pay bonds and asset recycling for infrastructure investment
- Macroeconomic impact of infrastructure investment

Timeline for legislation

- **FAST Act expires on September 30**
- **House approved INVEST in America Act – 221 to 201**
 - Five-year surface transportation bill
- **Infrastructure bill and FY 2022 budget resolution expected to move in Senate in July**
 - Infrastructure bill, including five-year transportation reauthorization, expected to be bipartisan
 - Budget Resolution & later Reconciliation (51 votes in Senate)
 - Democrats want to use for American Families Plan and other possible priorities (e.g., Medicare at age 60)
 - No action yet by the Banking Committee on the transit title
- **Biden wants both bills done by September 30**

House INVEST in America Act

Five-year surface transportation bill

- On July 1, House approved a five-year \$715 billion surface transportation reauthorization and water infrastructure bill
- \$109 billion for transit, or \$21.8 billion/year
 - Increases formula programs to \$14.7 billion/year (today \$10.1 billion)
 - Doubles set aside for urban formula dollars based on low-income population/ deep poverty census tracts
 - Invests over \$4 billion in zero emission buses
 - \$4 billion in electric vehicle charging/alternative fueling infrastructure
 - \$1 billion in new or increased service in unserved/underserved areas
 - Increases support for pedestrian and bike infrastructure and complete streets, Community Climate Investment Grant program
 - Establishes a new transit grant to provide for a reduced fare for low-income riders to help close transit equity gaps

INVEST in America Act

AC Transit Member Designated Project

- **East Oakland Hydrogen Fueling Upgrades**
 - \$2 million requested to upgrade the East Oakland operating division's hydrogen bus fueling infrastructure
 - Would increase the number of zero-emission buses that can refuel in a day – from 10 buses to 60
 - Representative Barbara Lee selected project as one of her priorities
 - Project was included in the INVEST in America Act by Transportation and Infrastructure Committee Chairman Peter DeFazio
- **MTC Bay Bridge Forward**
 - \$3 million requested to improve transit reliability into San Francisco
 - Create bus-only queue jump on westbound Powell Street at I-80 in Emeryville
 - Convert 2,000' of shoulder on I-80 to bus/HOV lane, improving access to Bay Bridge toll plaza
- **Bill includes 1,473 projects costing \$5.7 billion**
 - 40 percent of projects submitted were included in the INVEST in America bill
- **Next Steps**
 - Need a bill signed into law before earmark is official

Fiscal Year (FY) 2022 Budget/Appropriations Biden Budget Proposal

- **Biden FY 2022 budget proposal - 4% increase for FTA**
 - \$10.1 billion for formula grants – same as FY 2021
 - \$2.5 billion for Capital Investment Grants - 23% increase over FY 2021
 - \$250 million for zero emission bus grant program
 - \$30 million for FTA research
 - \$110 million for a new Thriving Communities Initiative Pilot program
 - \$1 billion for the RAISE grant program (replaces BUILD)
- **House Subcommittee markup was held on Monday, July 12**
 - Full committee will be Friday, July 16
- **Senate schedule is TBD**
- **Continuing Resolution is highly likely**

Senior DOT/FTA Officials Environment/Transit Backgrounds

- **Secretary Pete Buttigieg**
 - Deputy Secretary Polly Trottenberg
 - Undersecretary for Transportation Policy Carol Monje
 - Assistant Secretary for Transportation Policy Christopher Coes
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- **FTA Administrator Nuria Fernandez**
 - Deputy Administrator TBD
 - Chief Counsel Subash Iyer
 - Executive Director Matt Welbes (Career)

Questions?