

## **Transportation News and Insights**

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# Post Shutdown, Behind the Wheel Is the Favored Way to Go

With most states at least nearing the point of re-opening, travel statistics and polling data are giving us an initial look at how transportation patterns have been and will be affected during the remainder of the COVID-19 era.

The data suggest that many commuters and travelers are opting to drive their own personal automobile, if one is available, rather than use a mode of transportation in which social distancing is less assured.

#### By Automobile

A traffic dashboard from MS2 shows that between April 24 and May 19, daily national traffic counts have risen from 40% below a year prior to just 19.4% below a year ago.

Anecdotally, state police and state departments of transportation are

reporting increases in traffic. In some urban areas, travel times are rising as congestion returns.

The Centers for Disease Control (CDC) also favors the use of the personal automobile for commuters.

In its initial guidance for employers resuming operations, the CDC encouraged employers to incentivize "forms of transportation that minimize close contact with others, such as offering reimbursement for parking for commuting to work alone or single-occupancy rides."

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### **AMOTIA's 2020 Annual Conference Canceled**

AMOTIA's 2020 Annual Conference has been canceled due to the COVID-19 pandemic. We'll miss seeing everyone, but look forward to hosting the conference in 2021.



#### At the Ballot Box

Voter Decisions, New and Future

A whopping 77% of voters in **Portland, Oregon** gave their approval of Measure 26-209 to extend the city's 10 cents per gallon gasoline tax for another four years. The measure is expected to produce \$75 million in revenue over four years and the funds will be used to supplement the city's street maintenance and safety budget.

In Hamilton County, Ohio, which includes the city of Cincinnati, voters narrowly approved Issue 7, a sales tax increase that will be dedicated to bus service (75%) as well as road and bridge improvements (25%). In practical terms, voters agreed to shift the burden of local infrastructure improvements from the city of Cincinnati's earnings tax to the County's sales tax. The sales tax increase will take effect on July 1 when the countywide tax rate will be 7.8%, one of the highest sales tax rates in all of Ohio.

In **Omaha, Nebraska** voters gave their approval for the city to issue \$200 million in bonds to pay for street repairs.

**Sacramento County, California** is moving toward placing a 0.5 cent sales tax increase before voters in November. The final step in the process is expected to occur in July when the

Sacramento County Board of Supervisors considers the matter, but four of the five supervisors have already signaled their support for placing the measure on the November ballot. If approved by two-thirds of voters, Measure A is expected to raise \$8 billion over 40 years for road repair and construction, transit improvements, and bicycle and pedestrian facilities.

**Sonoma County, California** is preparing to ask voters to renew an existing 0.25 cent sales tax that funds road repairs, public transit, and bicycle and pedestrian pathways. Measure M, which voters first approved in 2004, will expire in April 2025 unless renewed.

## **New Job Titles**

Personnel Changes at U.S. DOT

At its May 20 business meeting, the Senate Commerce Committee advanced the nominations of Finch Fulton and Diana Furchtgott-Roth to be assistant secretaries at the U.S. Department of Transportation.

Finch Fulton (PN 1424) was first nominated last year to be the Assistant Secretary of Transportation for Transportation Policy, a position that has been vacant thus far in the Trump Administration. If confirmed, Fulton will play a key role in developing and articulating the Administration's position on surface transportation reauthorization legislation. Fulton is currently the Deputy Assistant Secretary for Transportation Policy where he has led the Administration's work on autonomous vehicle and drone policy.

**Diana Furchtgott-Roth** (PN 1596) to be an Assistant Secretary of Transportation for Research and Technology. Furchtgott-

Roth is currently the Deputy Assistant Secretary for Research and Technology at the Department of Transportation.

The nomination of **Joel Szabat** (<u>PN 1727</u>) to be Under Secretary of Transportation for Policy was just received in the Senate on May 4 and has been referred to the Senate Commerce Committee. Szabat currently serves as Assistant Secretary for Aviation and International Affairs. The Committee has not yet scheduled a nomination hearing.

## In the Hopper

An Update on Transportation Legislation

#### The HEROES Act

With only one Republican vote in favor and more than a dozen Democrats defying their party leaders to vote against it, the House of Representatives narrowly passed a \$3 trillion COVID-19 relief bill (H.R. 6800) on May 15.

The bill included \$15 billion for state departments of transportation to offset the loss of gas tax revenues and provides the states with flexibility on how the funds can be used. The aim of the appropriation is to offset the loss in gas tax revenues collected by the states for roughly the next six months. The American Association of State Highway Transportation Officials (AASHTO) had originally requested \$50 billion to cover an 18-month period. AASHTO is now working to persuade the Senate to support robust and flexible funding to backstop state DOTs.

Although Senate Majority Leader Mitch McConnell has previously publicly resisted taking action on another economic relief package, the severity of the nation's economic woes appears to have modified the thinking of Senator McConnell and some of his Senate Republican colleagues.

At a recent event in Kentucky, Senator McConnell said there will likely be another legislative package but it would not allow states to use the financial aid to address any prepandemic fiscal woes. McConnell also indicated that some form of liability protection for business would be included. The Senate is now expected to begin working on its relief package in July.

#### **Surface Transportation Bill**

The House Transportation and Infrastructure Committee approved a surface transportation reauthorization bill, H.R. 2, the "INVEST in America Act," on June 19 after a two-day marathon virtual markup. Prior to the markup, the Committee also released a two-page fact sheet, a 10-page executive summary, and a 38-page section-by-section summary.

As expected, the bill does increase spending on surface transportation, particularly on public transportation. According to a pre-markup analysis prepared by Eno Transportation Weekly, the bill would boost highway spending by 28%, mass transit spending by 54%, and intercity passenger rail spending by 332%.

The measure provides state departments of transportation with much-needed flexibility in the first year, Fiscal Year 2021, by (1) allowing up to \$22 billion in funding to be used for salaries and operating expenses and (2) eliminating the non-federal match required for federal-aid highway projects.

The measure has been criticized, however, for being written without any input from the Republican members of the Committee. Although Chairman DeFazio did ultimately accept some Republican-sponsored amendments during the markup session, the measure largely reflects the priorities and philosophy of the Committee Democrats.

The next step in the legislative process is consideration by the full House of Representa-tives, which has tentatively been set to begin on Tuesday, June 30, or Wednesday, July 1. Prior to that time, it is expected that the House leadership will merge the surface transportation measure just approved by the Transportation and Infrastructure Committee with other infrastructure-related bills. It is this bundle of infrastructure measures that is expected to be taken up by House and approved just prior to the July 4 holiday.

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## **State Budgets Under Stress**

The phrase "the perfect storm" is often used to describe a rare, unpredictable convergence of forces that produce an awful outcome. Governors and state budget officers are now seeing a perfect storm ravage their state budgets and the full extent of the damage may not be known for a year or more.

State spending has necessarily soared on coronavirus-related healthcare, unemployment compensation, and other safety net programs. At the same time, revenues are plummeting as funding from sales taxes and income taxes declines sharply. Yet the vast majority of states don't permit budget deficits and many states have limited borrowing ability. To offset the losses, states have already begun to cut spending, reduce their payrolls, tap their reserves, and explore other

options.

Will Congress Help? The National Governors Association (NGA) asked congressional leaders to appropriate \$500 billion exclusively for state governments to help stabilize budgets and fund ongoing essential services. Separately, the American Association of State Highway Transportation Officials requested \$50 billion for state departments of transportation to offset the loss of gas tax revenue. The \$3 trillion relief legislation passed by the House of Representatives on May 15 included nearly \$1 trillion for state and local governments, including \$15 billion for state departments of transportation. The Senate is expected to begin crafting its own version of the next relief package in July.

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After an outcry by public transportation advocates, the guidance was subsequently revised to read: "If feasible, offer employees incentives to use forms of transportation that minimize close contact with others (e.g., biking, walking, driving or riding by car either alone or with household members.")

In contrast to the rising use of automobiles, travel via plane, train, subway, and bus are all down dramatically and showing only limited signs of recovery.

#### By Airplane

A Quinnipiac University poll conducted May 14-18 revealed that 74% of Americans think it's unsafe to fly because of the coronavirus.

FlightRadar24.com reports that commercial flights were down 73.6% in April from the previous year and 71.1% for the first three weeks of May. Moreover, the slight growth in

total aviation activity between April and May is largely attributable to an uptick in non-commercial flights.

#### By Subway and Bus

Ridership on all forms of mass transit is down more than 80%. In just the Washington DC area, the Washington Metropolitan Area Transit Authority reported a 95% drop in ridership from a year earlier. An Ipsos poll conducted in April found that 72% of U.S. transit riders will either reduce their use of public transportation or stop using it altogether until they feel it is safe to ride again.

#### By Train

Amtrak ridership has fallen 90%, some service lines have been suspended and other lines are operating on a reduced schedule. Some Amtrak services are scheduled to resume in June.

## Come Join Us!

...as we combine forces to improve our transportation system.

In 2006, four companies from across America came together to form AMOTIA – the Association for the Management and Operations of Transportation Infrastructure Assets. These companies were well-attuned to changes in government – changes that would lead to enhanced partnerships and new services to meet the needs of the traveling public.

Today, 30 companies are leading the way to advance the private sector's role in managing transportation infrastructure assets.

#### **AMOTIA's Mission**

To build partnerships with industry and public agency stakeholders and disseminate information on innovative, cost-effective programs for managing, operating, and maintaining transportation infrastructure assets.



- To serve as the industry voice in the fast-growing field of private sector management and operations of transportation infrastructure assets.
- To provide a forum for members to exchange ideas.
- To advocate policies and practices that help members work cooperatively and efficiently with infrastructure owners.
- To promote the use of performance measures, creative risk allocation, and other techniques that stimulate creativity and innovation, resulting in safe and cost-effective management of owner assets.







#### For more information

Contact Peter J. Loughlin, AMOTIA Executive Director at 202-253-0331 or email <a href="Peter.loughlin@loughlinenterprises.com">Peter.loughlin@loughlinenterprises.com</a>.



## How to join....



## **Three Membership Tiers**

#### *Tier 1 Contractor (\$15,000)*

As a current or future contractor/manager of transportation assets, I understand I automatically become an AMOTIA Board Member; attend all AMOTIA meetings; help form policy, marketing strategy, and technical positions; manage the business of the Association; meet with key government officials; participate in outreach and training efforts; and make this business grow.

#### *Tier 2 Consultant (\$3,750)*

As a current or future consultant providing asset management services, I understand I will be able to attend AMOTIA Meetings, join technical and marketing committees, network with Tier 1 Contractors on proposals and contracts, develop the industry's role in asset management services, and form the nucleus of future industry services.

#### *Tier 3 Supplier (\$2,000)*

As a supplier of products used in asset management service contracts, I understand I will help build the business for the future, share my product news with the membership, help form performance-based standards and measures, and make sure that my interests are taken care of by AMOTIA.

## I want to join!!!

It is time for industry to come together to develop and promote performance-based management and operations of transportation assets. I want to be a part of this exciting business opportunity.

Contact Peter J. Loughlin, AMOTIA Executive Director, at 202-253-0331 or email

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## ... Making a Difference

**AMOTIA** has developed key principles and positions on many issues related to infrastructure management. Members are building a business from the ground up and sharing the news with government.

**AMOTIA** is working with key American Association of State and Highway Transportation Officials and Committees, such as the Subcommittee on Maintenance, and is becoming the private sector voice on performance-based maintenance activities in the country.

**AMOTIA** is working on key issues, such as liability and risk allocation, finding the right balance for government and industry.

**AMOTIA** is working with those in the Public-Private Partnership arena to help educate the public and government officials about public-private partnerships and the ability of the private sector to efficiently and economically manage transportation assets.

**AMOTIA** is developing performance measures and specifications to help guide government on the best way to specify and measure work.

**AMOTIA** is developing a training and outreach program, looking to work with both AASHTO and FHWA to be the voice of the industry.

**AMOTIA** is providing a forum for industry to define the business opportunities of the future.