Transit Board Members
Legislative Subcommittee
Agenda

Sunday, October 09, 2022
9:00 a.m. - 10:00 a.m. PT

Sheraton Grand Seattle
Room: Aspen (2nd Floor)

1. Welcome and Call to Order—Beth Holbrook, Chair

2. Legislative Update—Melissa Mejias, Senior Legislative Representative, Government Affairs and Advocacy

3. 118th Congressional Outlook—Ryan Leavitt, Partner, Barker Leavitt

4. APTA Research, Advocacy Update and Tools—Jared Bonina, Legislative Analyst, Government Affairs and Advocacy

    a. APTA Transit Workforce Shortage Study
    b. APTA Transit Industry Footprint
    c. BIL Smart Guide

5. Work Plan Discussion—Beth Holbrook

    a. APTA 2022 Advocacy Day
    b. Republican Outreach

6. Brief Updates from Subcommittee Members on Local Issues

7. Adjourn

ENCLOSED DOCUMENTS

- APTA 2021 Fact Book Infographic (10.15.2021)
- APTA Legislative Update (10.01.2022)
- APTA THUD Appropriations Talking Points (10.01.2022)
- APTA SUMMARY Inflation Reduction Act (10.01.2022)
- APTA SUMMARY Policy & Research Products (10.01.2022)
- APTA SUMMARY Transit Workforce Shortage Interim Report (10.01.2022)
- APTA Supply Chain Fact Sheet (10.01.2022)

TODAY, **PUBLIC TRANSIT** IN AMERICA IS…

More Popular

Total Passenger Miles Traveled

- 45.9 BILLION (1999)
- 55.2 BILLION (2009)
- 56.1 BILLION (2019)

More Widespread

Public transit systems are…

- 1,159 Rural
- 1,043 Urban
- 4.5K+ Nonprofit

Expanding

Total Number of Rail Systems

1999	2019
58	98

>52% Increase in Rail Ridership Since 1999

More Balanced

Public transit trips are…

- 48% By Rail
- 48% By Bus

More Accessorized

- 79% of buses have **security cameras**
- 77% of buses have **exterior bike racks**
- 78% of buses have **automated stop announcements**

Growing

From 1995 – 2019

23% Increase in Population Growth

28% Increase in Public Transit Ridership

More Efficient

Increase in Vehicle Miles Operated per Kilowatt-Hour
over the Past 30 Years

- Heavy Rail 11%
- Light Rail/Streetcar 48%

Receiving More Investment

Transit Spending in the Private Sector

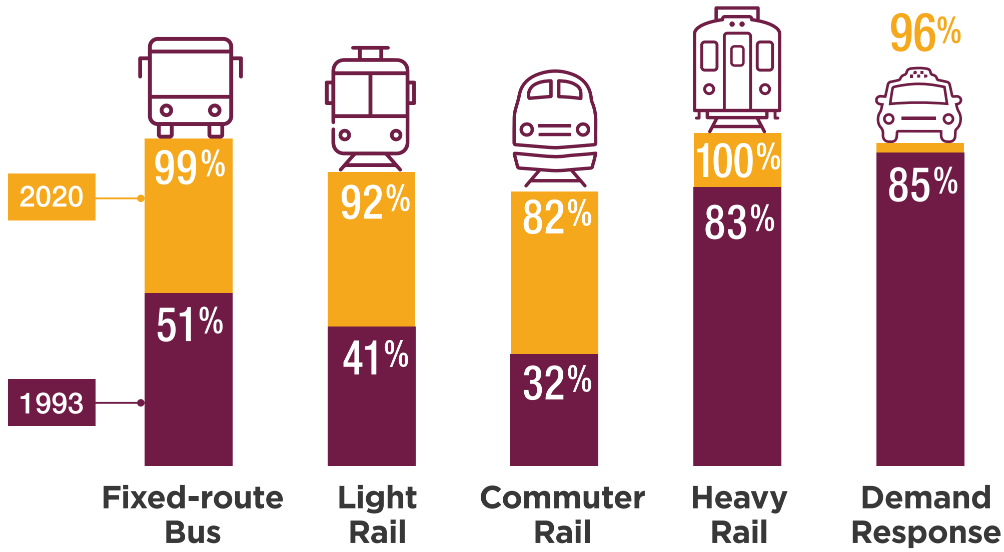
1999	2009	2019
$23.6	$36.9	$43.1

$ Billions

TODAY, **PUBLIC TRANSIT** IN AMERICA IS...

More Accessible*

Share of **Accessible Public Transit Vehicles**



** transit system accessibility is also affected by station accessibility*

Leading in Clean Technology

Share of **Hybrid Electric Buses**

2010: **7.0%**

2020: **18.8%**

(According to APTA's 2020 Vehicle Database)

Lowering Carbon Emissions

84%

less CO_2 emissions by using the subway rather than a car

(According to TCRP "Report 226: An Update on Public Transportation's Impacts on Greenhouse Gas Emissions")

Reducing Gasoline Consumption

6.0 BILLION

Gallons of Gas Saved

each year by using public transportation

(According to TCRP "Report 226: An Update on Public Transportation's Impacts on Greenhouse Gas Emissions")

Driving the Economy

87%

of trips on transit directly benefit the local economy

50% of trips are **to and from work**

37% of trips are **to shopping and recreational spending**

(According to APTA's "Who Rides Public Transportation")

Creating Jobs

448K+

people directly work for public transportation agencies

Long-term investment in public transit supports 50,000 jobs and $382 million in tax revenue per $1 billion invested

(According to APTA's "Economic Impact of Public Transportation Investment: 2020 Update")

Saving Lives

Cities with more than 40 annual public transit trips per person have **half the traffic fatality rate** of those with fewer than 20 trips per person

(According to APTA's "The Hidden Traffic Safety Report: Public Transportation")

American Public Transportation Association

LEGISLATIVE UPDATE

APTA is focused on three major initiatives in fall 2022:

- aggressively advocating for public transportation investment in the Transportation, Housing and Urban Development, and Related Agencies Appropriations bill (THUD Appropriations bill);
- actively working to ensure successful implementation of the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117-58), commonly referred to as the Bipartisan Infrastructure Law, and the Inflation Reduction Act (P.L. 117-169); and
- preparing a holistic outreach effort to every new and returning Representative and Senator in the new Congress, which begins in January 2023.

Aggressively Advocating for Public Transportation Investment in the THUD Appropriations Bill

In September 2022, Congress passed and President Biden signed the Continuing Appropriations and Ukraine Supplemental Appropriations Act, 2023 into law (P.L. 117-___). The Act provides continued funding for the federal government, including public transportation programs, at Fiscal Year (FY) 2022 funding levels through December 16. After the midterm elections, Congress may develop an Omnibus Appropriations bill that includes the 12 separate appropriations bills.

With regard to the THUD Appropriations bill, APTA is aggressively advocating that Congress provide the highest possible funding for public transportation and that it complete action on a bipartisan, bicameral agreement this fall. In March 2022, Congress provided $20.5 billion for public transit in FY 2022**,** an increase of $7.6 billion (58 percent) from the FY 2021 enacted level. Congress also provided $16.6 billion for passenger and freight rail, an increase of $13.7 billion (475 percent) from the FY 2021 enacted level.

In July 2022, the House of Representatives passed its THUD Appropriations bill (H.R. 8294), and the Senate introduced its companion version of the bill (S. 4670). Both the House and Senate THUD Appropriations bills appropriate the overwhelming majority of public transit and passenger rail authorizations of the IIJA. However, the House THUD Appropriations bill provides significantly more public transit and passenger rail funding than the Senate bill.

The House THUD Appropriations bill, together with the IIJA's advance appropriations, provides **$21.7 billion** for public transit in FY 2023, which exceeds the IIJA authorization and is an increase of **$1.2 billion (6 percent)** from the FY 2022 enacted level. The House bill provides **$621 million** more for public transit than the Senate bill. The primary difference between the bills is funding for Capital Investment Grants (CIG). The House bill provides $3.0 billion for CIG, equal to the IIJA authorization, which is more than $500 million more than the Senate THUD appropriation.

The House THUD Appropriations bill, together with advance appropriations, provides **$17.1 billion** for passenger and freight rail in FY 2023, an increase of **$489 million (3 percent)** from the FY 2022 enacted level. The House bill provides **$164 million** more for passenger rail than the Senate bill. The House bill provides more funding for the Federal-State Partnership for Intercity Passenger Rail Grants and the Senate bill provides more funding for Amtrak Northeast Corridor grants. Both bills provide less than the $19.9 billion authorized for passenger and freight rail in the IIJA.

In addition, both House and Senate THUD Appropriations bills include important policy provisions. Both bills block the Rostenkowski Test to prevent a possible across-the-board cut of FY 2023 transit formula funds to each public transit agency. Both bills also prohibit the U.S. Department of Transportation (DOT) from impeding or hindering a project from advancing or approving a project seeking a CIG federal share of more than 40 percent. Finally, the Senate THUD Appropriations bill allows Consolidated Rail Infrastructure and Safety Improvements (CRISI) grants to be used for commuter railroad projects that implement or sustain positive train control systems. The House THUD Appropriations bill does not authorize commuter rail project eligibility for CRISI funds.

APTA is aggressively advocating that the FY 2023 THUD Appropriations bill fully fund the IIJA and provide additional resources for targeted investments. APTA also urges Congress to appropriate at least **$129 million** of emergency appropriations to the Federal Transit Administration's (FTA) Public Transportation Emergency Relief program (49 U.S.C. § 5324) to help public transit agencies offset the significant costs of providing emergency transportation services, rebuilding damaged infrastructure, and replacing vehicles destroyed from recent natural disasters, including floods, hurricanes, wildfires, and earthquakes. APTA continues to collect additional information from public transit agencies on unmet funding needs as a result of recent natural disasters.

Working to Ensure Successful Implementation of the Bipartisan Infrastructure Law and the Inflation Reduction Act

Bipartisan Infrastructure Law

On November 15, 2021, President Joseph Biden signed the IIJA into law. The IIJA provides $108.2 billion for public transit over five years (FY 2022 through FY 2026), an increase of $42.4 billion (64 percent) from current levels. These historic increases in public transit investment include $91.2 billion of guaranteed funding (i.e., contract authority and advance appropriations) and $17.0 billion of General Fund authorizations for CIG and other grants.

The legislation also provides $102.1 billion for passenger and freight rail over five years, an increase of $86.7 billion (561 percent) from current levels. These historic passenger rail investments include $66.0 billion of guaranteed funding (advance appropriations) and $36.1 billion of General Fund authorizations for Amtrak and other programs. In addition, the IIJA provides significant funding for multimodal investments (e.g., Rebuilding American Infrastructure with Sustainability and Equity (RAISE) and Mega grants) that include public transit and passenger rail as essential elements.

APTA is actively working with DOT on implementation of the Bipartisan Infrastructure Law. This year, APTA expects DOT to **advance $18.4 billion of FY 2022 competitive grants** that include public transit and passenger rail eligibility, including:

- ***Awards ($5.5 billion).*** To date, DOT and FTA have awarded $5.5 billion of competitive grants, including $2.3 billion for RAISE grants; $1.1 billion for Low and No Emission Bus grants; $547 million for Buses and Bus Facilities grants; and $1.5 billion for INFRA grants.

- ***Notices of Funding Opportunities (NOFOs) ($5.3 billion).*** DOT, FTA, and the Federal Railroad Administration (FRA) have issued numerous NOFOs for an additional $5.3 billion of competitive grants that include public transportation eligibility, including: $1.0 billion of Mega grants, $350 million of All Stations Accessibility Program grants, and $573 million for Railroad Crossing Elimination Grants.

- ***Upcoming NOFOs ($7.6 billion)***. This fall, we expect FRA and FTA to issue an additional $7.6 billion for competitive grants, including $7.3 billion for the Federal-State Partnership for Intercity Passenger Rail program and $300 million for the Rail Vehicle Replacement program.

In addition, DOT, FTA, FRA, and other agencies have issued Notices of Proposed Rulemaking, Guidance, Dear Colleague letters, and Requests for Information regarding IIJA implementation. APTA has actively engaged in this regulatory process and provided numerous Comments on IIJA implementation, including Comments on Buy America, CIG, Public Transportation Agency Safety Plan Safety Requirements, and Railroad Capital Projects.

To assist APTA members in tracking IIJA funding apportionments and competitive grant opportunities and policy actions, APTA has developed a **Smart Guide to the Bipartisan Infrastructure Law** on its website. The APTA Smart Guide includes funding and apportionment tables, section-by-section analyses, and DOT guidance, regulations, and NOFOs. Finally, the Smart Guide includes advocacy and media toolkits to help APTA members tell their Bipartisan Infrastructure Law success stories. APTA has also developed a **Regulatory Matrix** on its website to track all regulatory and other administrative action.

Inflation Reduction Act

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 into law. The Act includes numerous important provisions that benefit public transportation, including alternative fuel tax credits and significant new investments in climate, zero-emission technology, equity, and environmental streamlining. The Inflation Reduction Act:

- Extends the excise tax credits for alternative fuels, biodiesel, and renewable diesel;
- Extends and substantially restructures the alternative fuel vehicle property credit;
- Establishes a new commercial clean vehicle tax credit; and
- Provides significant new investments in climate, zero-emission technology, equity, and environmental review, including $27 billion for a Greenhouse Gas Reduction Fund; $3.2 billion for Neighborhood Access and Equity Grants; and $2 billion for Low-Carbon Transportation Materials Grants.

APTA is actively working with DOT, the U.S. Department of the Treasury, and other agencies on implementation of the Inflation Reduction Act. In particular, APTA is focused on implementation of the new commercial clean vehicle tax credit and the new grant programs. Section 13403 of the Act creates a new tax credit (up to $40,000) for commercial clean vehicles (e.g., zero-emission buses). Commercial clean vehicles include battery electric and fuel cell vehicles. This 10-year tax credit takes effect in 2023. The section requires the Secretary of the Treasury to issue regulations or guidance as necessary to implement the provision. APTA is actively working to ensure that public transit agencies may benefit from this provision and receive a direct payment in lieu of a tax credit.

APTA is also working with agencies on implementation of several new programs created by the Inflation Reduction Act. For example, APTA wants to ensure public transportation eligibility under the new $27 billion Greenhouse Gas Reduction Fund. This Fund will provide capital for both a national and state “green banks” to provide financial support for zero-emission technologies and projects that reduce or avoid greenhouse gas emissions. The Fund provides $20 billion for a national green bank and $7 billion to finance state and local green banks. Under the program, EPA will make competitive grants, loans, other financial assistance, and technical assistance available to states and local governments to enable communities, particularly low-income and disadvantaged communities, to reduce or avoid greenhouse gas emissions and deploy or benefit from zero-emission technologies.

Preparing a Holistic Outreach Effort to the New Congress

Finally, APTA is preparing a holistic outreach effort to every new and returning Representative and Senator in the 118th Congress, which begins in January 2023. At the beginning of the new Congress, APTA will undertake a comprehensive outreach effort that includes:

- Sending each Member of Congress, totaling 541 offices, a personalized packet that contains background information about the public transportation industry; a copy of their Congressional District or State Transit Industry Footprint; and APTA's legislative priorities.

- Meeting with each new Representative and Senator to ensure that they understand our industry and APTA's priorities for the 118th Congress.

- Urging all APTA members to contact their new and returning Members of Congress to introduce themselves, outline the role that public transportation plays in your community and the nation's economy, and educate them on the need to honor the IIJA and provide increased investment in public transportation.

In addition, APTA continues to redouble our outreach efforts to build greater support for public transportation among Republican Members of Congress. In 2022, we are specifically focusing on 32 Republican Members of Congress (18 Representatives and 14 Senators), who are more likely to support public transportation or hold critically important leadership and committee positions. APTA will continue this targeted outreach in the 118th Congress. We will also continue efforts to expand APTA's grassroots advocacy tools, such as APTA's Advocacy Engagement Tool.

THUD Appropriations

October 1, 2022

On July 20, the House of Representatives passed H.R. 8294, the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2023 (THUD Appropriations bill). On July 28, the Senate introduced its FY 2023 THUD Appropriations bill (S. 4670). The House and Senate THUD Appropriations bills will be the starting point for further negotiations to reach a bipartisan, bicameral agreement this fall.

APTA urges Congress to fully fund the IIJA's public transit and passenger rail investment in the FY 2023 THUD Appropriations bill and complete action on the bill this fall.

Public transportation is an **$80 billion** industry that directly employs **450,000** workers and supports **millions** of private-sector jobs.

APTA urges Congress to provide at least **$17.5 billion for public transit and $6.7 billion for passenger rail in the THUD Appropriations bill to honor the promise of the Infrastructure Investment and Jobs Act (IIJA).** When combined with the IIJA's advance appropriations, these amounts will fully fund the public transit and passenger rail investments of the Bipartisan Infrastructure Law.

Specifically, APTA urges Congress to provide at **least $3.0 billion for Capital Investment Grants** (CIG) to help our communities begin to address the backlog of demand for more mobility choices. Today, **79 projects** across the nation are seeking **$44 billion** of CIG funds.

For passenger rail, APTA urges full funding of the IIJA authorizations for Federal-State Partnership for Intercity Passenger Rail and CRISI grants, and **$500 million for Railroad Crossing Elimination grants** to help address fatalities at the nation's more than 200,000 highway-rail grade crossings.

- For every $1 invested in public transportation, $5 is generated in economic returns.
- In addition, public transportation supports and creates approximately 50,000 jobs for every $1 billion of investment.
- Moreover, public transportation significantly reduces greenhouse gas emissions. A typical public transit trip emits 55 percent fewer greenhouse gases than driving alone.

APTA urges Congress to:

Fully fund the Infrastructure Investment and Jobs Act's public transit and passenger rail investments in the FY 2023 THUD Appropriations bill, including competitive grant programs, such as Capital Investment Grants, Railroad Crossing Elimination grants, Federal-State Partnership for Intercity Passenger Rail grants, RAISE grants, and other multimodal investments.

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION
FACT SHEET
INFLATION REDUCTION ACT OF 2022
PUBLIC TRANSPORTATION TAX CREDITS AND CLIMATE INVESTMENTS
October 1, 2022

On August 16, 2022, President Joseph Biden signed the Inflation Reduction Act of 2022 (IRA) into law (P.L. 117-169).[1] The Act includes alternative fuel tax credits and significant new investments in climate, zero-emission technology, equity, and environmental streamlining.

The IRA includes several important provisions that benefit public transportation. The Act:

- **Extends the excise tax credits for alternative fuels, biodiesel, and renewable diesel;**
- **Extends and substantially restructures the alternative fuel vehicle property credit;**
- **Establishes a new commercial clean vehicle tax credit; and**
- **Provides significant new investments in climate, zero-emission technology, equity, and environmental review**, including $27 billion for a Greenhouse Gas Reduction Fund; $3.2 billion for Neighborhood Access and Equity Grants; and $2 billion for Low-Carbon Transportation Materials Grants.

*The bill **extends alternative fuel tax credits and establishes new clean vehicle tax credits**.*

Extends the Alternative Fuels Excise Tax Credit. Section 13201 extends the $0.50 per gasoline gallon equivalent excise tax credits for alternative fuels from 2021 through 2024. Public transit agencies that fuel their vehicles with compressed natural gas (CNG), liquefied natural gas (LNG), or liquified hydrogen benefit from this tax credit. Transit agencies may file a claim for payment equal to the amount of the alternative fuel credit. The credit is first applied to the applicable excise tax liability under section 26 U.S.C. § 4041 or 26 U.S.C § 4081, and any excess credit may be taken as a payment. The provision creates a special rule to address claims regarding excise tax credits and claims for payment for alternative fuel used during the period beginning January 1, 2022, through the date of enactment.

Extends the Biodiesel and Renewable Diesel Excise Tax Credit. This section also extends the $1.00 per gallon excise tax credits for biodiesel and renewable diesel from 2022 through 2024. Transit agencies may file a claim for payment equal to the amount of the biodiesel or renewable diesel tax credit.

Extends and Substantially Restructures the Alternative Fuel Vehicle Refueling Property Credit. Section 13404 extends the alternative fuel vehicle refueling property credit from 2021 through 2032, and substantially restructures the credit. Refueling property is property for the storage or dispensing of clean-burning fuel or electricity into the vehicle fuel tank or battery. Clean-burning fuels include CNG, LNG, electricity, and hydrogen. The bill clarifies that

[1] P.L. 117-169, Inflation Reduction Act of 2022.

bidirectional charging equipment is eligible property. Tax credits for refueling property used in a trade or business are part of the general business credit. Generally, in the case of refueling property sold to a tax-exempt entity, the taxpayer selling the property may claim the tax credit.

This section also substantially restructures the tax credit. Under current law, taxpayers may claim a 30 percent credit for an alternative fuel property up to $30,000 per location. The bill provides a base credit of six percent up to $100,000 per project. In addition, it provides a bonus credit totaling 30 percent for expenses up to $100,000 for each project if the taxpayer satisfies Davis-Bacon prevailing wage requirements during construction of the project. In addition, under the bill, the alternative fuel property is only eligible for the credit if the property is placed in service in a low-income community (under 26 U.S.C. § 45D(e)) or rural census tract.

Under the provision, the 2021 rules of the alternative fuel vehicle refueling property credit apply in 2022. In 2023 and subsequent years, the restructured tax credit will apply.

Establishes a new Commercial Clean Vehicle Tax Credit. Section 13403 creates a new tax credit for commercial clean vehicles (e.g., zero-emission buses). The amount of the credit with respect to a qualified commercial electric vehicle is equal to the lesser of 30 percent of the cost of the vehicle or the incremental cost of the vehicle. The limit of the credit is $7,500 for a vehicle that weighs less than 14,000 pounds and $40,000 for all other vehicles. Commercial clean vehicles include battery electric and fuel cell vehicles. This 10-year tax credit takes effect in 2023 and expires December 31, 2032. The section requires the Secretary of the Treasury to issue regulations or guidance as necessary to implement the provision. APTA is working to ensure that the provision enables tax-exempt entities to benefit from the credit by receiving a direct payment.

New Investments in Climate, Zero-Emission Technology, and Equity

Provides $27 Billion for a new Greenhouse Gas Reduction Fund. Section 60103 provides $27 billion to the Environmental Protection Agency (EPA) to establish a new Greenhouse Gas Reduction Fund. This Fund will provide capital for both a national and state “green banks” to provide financial support for zero-emission technologies and projects that reduce or avoid greenhouse gas emissions. The Fund provides $20 billion for national green bank and $7 billion to finance state and local green banks. Under the program, EPA will make competitive grants, loans, other financial assistance, and technical assistance available to states, municipalities, Indian tribes, and certain nonprofit organizations to enable communities, particularly low-income and disadvantaged communities, to reduce or avoid greenhouse gas emissions and deploy or benefit from zero-emission technologies. The provision requires EPA to implement the program no later than 180 days after the date of enactment of this section.

Provides $1 Billion for Clean Heavy-Duty Vehicles. Section 60101 provides $1 billion to EPA to carry out a new Clean Heavy-Duty Vehicles program. Under the program, EPA will make grants and rebates to states, municipalities, Indian tribes, and eligible contractors to replace Class 6 or Class 7 heavy-duty vehicles as defined in 40 CFR 1037.801 (i.e., vehicles with a gross vehicle weight between 19,501 pounds and 33,000 pounds) with zero-emission vehicles.

The grants may pay up to 100 percent of costs for:

- the incremental cost of replacing eligible vehicles with zero-emission vehicles;
- purchasing, installing, operating, and maintaining zero-emission infrastructure;
- workforce development and training for zero-emission vehicles; and
- planning and technical activities to support adoption and deployment of zero-emission vehicles.

The provision requires EPA to implement the program no later than 180 days after the date of enactment of this section.

Provides $3.2 Billion for Neighborhood Access and Equity Grants. Section 60501 provides $3.2 billion to the Federal Highway Administration (FHWA) to establish a new Neighborhood Access and Equity Grant program. The program provides competitive grants to states, local governments, Indian tribes, public authorities with a transportation function, and metropolitan planning organizations:

- to improve walkability, safety, and affordable transportation access through construction of projects that are context-sensitive;
- to mitigate or remediate negative impacts from surface transportation facilities that create an obstacle to connectivity within a community (e.g., grade separation) or are a source of pollution or other burden to disadvantaged or underserved communities; and
- for planning and capacity building in disadvantaged or underserved communities.

The program sets aside 40 percent ($1.2 billion) of these funds for communities that are economically disadvantaged, underserved, or located in an area of persistent poverty.
The federal share is 80 percent, except that the federal share of projects in disadvantaged or underserved communities may be up to 100 percent. These funds may not be used for projects that result in additional through travel lanes for single occupant passenger vehicles.

Provides $2 Billion for Low-Carbon Transportation Materials Grants. Section 60506 provides $2 billion to FHWA for a new Low-Carbon Transportation Materials Grants program. On Federal-aid highway projects, FHWA may reimburse or provide incentives to states, local governments, Indian tribes, public authorities, and metropolitan planning organizations for the use of construction materials and products that have substantially lower levels of embodied greenhouse gas emissions compared to estimated industry averages. FHWA may reimburse or provide incentives payments (2 percent) for the increased incremental cost of using low-carbon materials and provide a federal share of up to 100 percent.

These reimbursements or incentives may not be used for projects that result in additional through travel lanes for single occupant passenger vehicles.

New Investments in Environmental Review

Provides $350 Million for Environmental Review Improvement Fund. Section 70007 provides $350 million to the Federal Permitting Improvement Steering Council Environmental Review Improvement Fund to help the Council coordinate a more efficient and effective federal environmental review and permit authorization process for major infrastructure projects, including public transportation projects.

Provides $100 Million for FHWA Development and Review of Environmental Review Documents. Section 60505 provides $100 million to facilitate the development and review of documents for the environmental review process for proposed surface transportation projects and for administrative expenses of FHWA.

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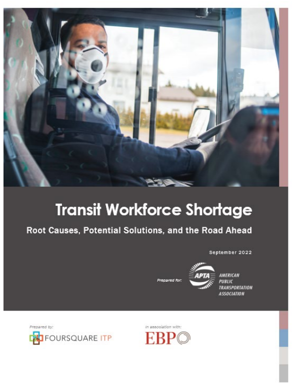
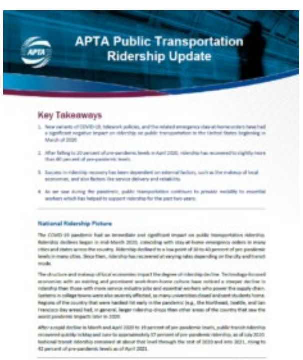


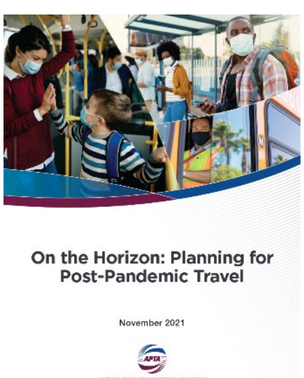
Transit Workforce Shortage: Root Causes, Potential Solutions, and the Road Ahead

Public transit providers across North America face a shortage of operators and mechanics, a crisis that has strained budgets and forced agencies to reduce service. This shortage is occurring during a period of economic instability and reshuffling exacerbated by the COVID-19 pandemic. Agencies' ability to respond to the worker shortage has been hampered by inadequate information about its causes and effects. The Transit Workforce Shortage report builds a framework for APTA, its members, and its partner organizations to better understand the workforce shortage's causes and provides best practices for recruiting, hiring, and retaining public transit workers.



Public Transportation Ridership Update

New variants of COVID-19, telework policies, and the related emergency stay-at-home orders have had a significant negative impact on ridership on public transportation in the United States beginning in March 2020. After falling to 20 percent of pre-pandemic levels in April 2020, ridership has recovered to slightly more than 70 percent of pre-pandemic levels. Success in ridership recovery is dependent on transit service delivery and reliability and external factors, such as the makeup of local economies. As illustrated during the pandemic, public transportation provides mobility to essential workers, which has sustained transit ridership over the past two years.



On the Horizon: Planning for Post-Pandemic Travel

Public transit agencies played an essential role in ensuring the mobility of millions of Americans during the COVID-19 pandemic especially essential workers who kept society going even at the height of the health crisis. As the industry and nation begin to look to the future, we examine how demographic, employment, and travel trends may change in the coming decades. Based on the data, four overarching recommendations were developed for agencies that included integrating best practices from the COVID-19 period, prioritizing social equity, leveraging opportunities to expand ridership, and keeping abreast of changing trends.

APTA AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

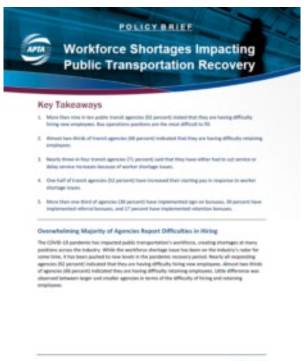
Policy Development and Research

Recent Publications

www.apta.com/research-reports/

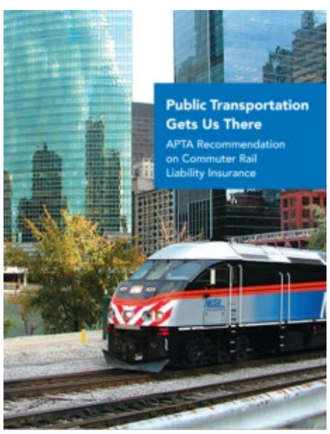
2021 Public Transportation Fact Book

The annual Public Transportation Fact Book contains national aggregate statistical data covering all aspects of the public transit industry in the United States and Canada. Major sections include an overview of U.S. transit systems; transit finances and operating statistics by modes of travel; transit vehicle characteristics and deliveries; private-sector expenditures; modal rankings; and statistical trends of Canadian transit operations.



Workforce Shortages Impacting Public Transportation Recovery

The COVID-19 pandemic has impacted public transportation's workforce, creating shortages at many positions across the industry. While the workforce shortage issue has been on the industry's radar for some time, it has been pushed to new levels in the pandemic recovery period. Ninety-two percent of public transportation agencies indicated that they are having difficulty hiring new employees, and 66 percent are having difficulty retaining employees. Nearly three-in-four transit agencies said that they have either had to cut service or delay service increases because of worker shortage issues.



APTA Recommendation on Commuter Rail Liability Insurance

Due to current market conditions that have reduced competitiveness and raised prices in their insurance market, commuter rail agencies have struggled, and will continue to struggle, to fill their substantial liability insurance requirements. There is a clear federal interest in maintaining and expanding effective commuter rail operations in the United States. APTA recommends establishing a Commuter Rail Insurance Program at the U.S. Department of Transportation to provide insurance to commuter rail agencies that operate commuter rail services in the United States.

Mobility Innovation: The Case for Federal Investment and Support

The pace of innovation in the public transportation industry has accelerated over the past five years. The six case studies in this report illustrate the true innovative potential of the public transit industry in the United States today. These programs focus on serving sectors of the market most in need of help: people living in areas that are currently underserved by transit, those who require wheelchair access, and those who commute during off-peak late-night hours. These programs epitomize how transportation services can be used to foster more equitable and inclusive communities.

Transit Workforce Shortage

Root Causes, Potential Solutions, and the Road Ahead

Executive Summary

Public transit providers across North America face a shortage of operators and mechanics during a period of economic instability and reshuffling exacerbated by the COVID-19 pandemic. However, agencies' ability to respond to the worker shortage has been hampered by inadequate information about its causes and effects. The Transit Workforce Shortage Study builds a framework for APTA, its members, and its partner organizations to better understand the workforce shortage's causes and provides best practices for recruiting, hiring, and retaining transit operations workers. The study is comprised of two phases. The interim report, found at www.apta.com/shortage, synthesizes the findings from Phase 1, which included a survey of transit agencies and background research into the macro causes of the shortage.

CAUSES OF THE SHORTAGE

The transit workforce shortage is widespread and severe.

- Ninety-six percent of agencies surveyed reported experiencing a workforce shortage, 84 percent of which said the shortage is affecting their ability to provide service.
- Although the shortage is most acute at agencies serving large urbanized areas and agencies with greater ridership, most agencies across the country report the shortage has forced service reductions regardless of the size of an agency's ridership, service area population, or fleet.

The aging of the transit workforce suggests that agencies will experience a high rate of retirements for the foreseeable future.

- Agencies report that retirees make up 24 percent of all quitting workers; at rural agencies, 34 percent of departures are retirements.
- Forty-three percent of transit workers are over 55, nearly double the percentage of the broader transportation sector.
- The aging of the transit workforce suggests agencies should plan for an increase in the rate of retirements over the next five to 10 years.

Transit agencies face strong competition for workers.

- The post-COVID-19 economic recovery has been characterized by low-unemployment and high job churn, meaning that agencies face more competition for the same pool of potential workers.
- Agencies reported that 45 percent of departing employees left to take jobs outside the transit industry, more than those who retire or left the workforce combined.
- Transit agencies' offers of employment are rejected 35 percent of the time, at more than twice the rate for jobs across all industries.

Agencies report that concerns about work schedules and compensation are the leading reasons why workers quit.

- The survey of agencies indicates that concerns about schedule and compensation were responsible for more departures than assault and harassment or concern about contracting COVID-19.
- Most agencies said that schedule and compensation are leading to more departures today than before the pandemic.

A complex regulatory framework is hampering agencies' ability to fill vacancies.

- Rules about drug and alcohol testing, Commercial Driver's License (CDL) requirements, criminal background checks, and driving records extend the hiring process and exclude otherwise qualified applicants.
- APTA and its partners should advocate for regulation reforms at the federal and state levels while ensuring that transit operators are well-qualified.

WHAT CAN BE DONE TO RELIEVE THE SHORTAGE OF TRANSIT WORKERS?

Increasing compensation is about more than increasing wages.

- Increasing compensation begins with increasing wages for new and current employees, but there is more that agencies can do to attract and retain workers.
- Agencies often provide benefits packages that are competitive with or better than what workers would get in the private sector. Agencies should calculate the average value of those benefits so that applicants and employees are aware of their total compensation when they are making employment decisions.
- Some agencies have explored other forms of compensation, such as acquiring and providing worker housing and offering student loan and tuition benefits.

Agencies need to get creative to improve worker schedules.

- Concerns about schedule were identified as one of the most important factors leading workers to quit, but most agencies report not having taken steps to improve worker schedules.
- Shift differentials can encourage and reward workers for taking tougher shifts.
- Where practicable, agencies ought to explore changing their processes for rostering to improve the schedules of newer workers.
- Collective bargaining agreements often constrain agencies' ability to change rostering procedures. Nevertheless, given the centrality of schedule to the workforce shortage, agencies should explore moving from a "cafeteria approach," where each driver picks their runs and days off in order of seniority, to a weekly rostering approach, where agencies minimize the difference between operator's workweeks by combining daily runs to create complete weeks of work for operators.

Improving workplace culture is key to attracting younger workers.

- To appeal to a new generation of transit workers, agencies must take steps to make operations positions an attractive step into a career in transit. That means, among other factors, establishing pathways for advancement and professional growth.
- Creating employee recognition programs and improving amenities at agency facilities can help boost morale and retention.

Agencies can take steps to improve their recruiting and hiring processes.

- Some of the factors driving the transit worker shortage are long term and unlikely to reverse themselves in the near future. Therefore, agencies should invest in their hiring and recruiting capacities.
- Agencies should make the application process as simple as possible—from helping applicants obtain their CDL permits, to prominently displaying a mobile-friendly employment application on their websites, to making same-day offers at hiring events.
- Conditional employment offers—when an employee begins training pending the completion of background checks and other processes—can help keep interested applicants from disengaging from the hiring process.
- Agencies should establish new workforce pipelines, such as internship programs and relationships with high schools.

Governments and partner organizations have an important role to play in addressing the transit workforce shortage.

- Federal agencies can support agencies by implementing the Government Accountability Office's recommendation for transit workforce development and exploring the creation of federal program to pay for CDL training for transit operators.
- State Departments of Transportation (state DOTs) and Metropolitan Planning Organizations (MPOs) should consider how to integrate transit-specific workforce development programs into transportation planning projects and state and local educational institutions should establish relationships with transit agencies in the interest of creating employment pipelines.
- Transit labor organizations and their members should consider how they can support workforce recruitment and retention through apprenticeship, peer mentoring, and leadership advancement programs.
- At the local and national levels, unions should rigorously evaluate seniority-based practices and compare them to alternatives that would potentially increase younger member participation in both the workforce and union activities.

Supply Chain, Inflation, and Workforce Challenges

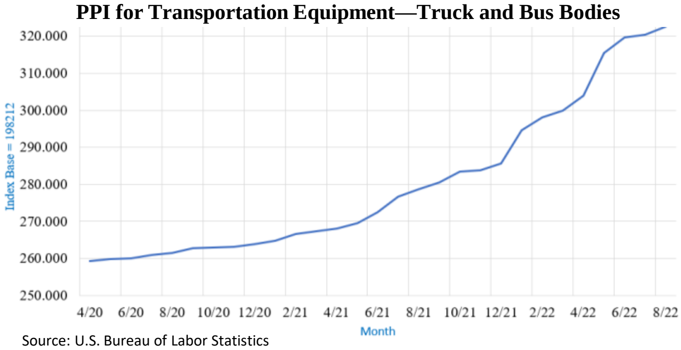
October 1, 2022

Public transportation is an $80 billion industry that directly employs almost 450,000 workers and supports millions of private-sector jobs.

However, supply chain constraints, inflationary pressures, and workforce shortages are challenges to the industry's significant efforts to deliver on the promise of the historic Infrastructure Investment and Jobs Act.

Commodity	5-Year Average Cost	2020 Average Cost	September 2022 Cost	% Increase vs 5-Year Average
Carbon Steel (per LB) Source: ProPurchaser	$ 0.42	$ 0.29	$ 0.38	-10%
Stainless Steel (per LB) Source: ProPurchaser	$ 1.33	$ 1.21	$ 2.11	+59%
Copper (per LB) Source: Comex	$ 3.08	$ 2.75	$ 3.52	+14%
Aluminum (per LB) Source: LME Official Price	$ 0.91	$ 0.77	$ 1.07	+18%
Resins Source: St. Louis Fed	$ 243.39	$ 215.02	$ 363.71	+49%
ABS Extrusion Material Source: ProPurchaser	$ 1.11	$ 0.87	$ 1.46	+32%
ABS Injection Material Source: ProPurchaser	$ 1.08	$ 0.84	$ 1.43	+32%
Flat Glass (index) Source: ProPurchaser	$ 113.91	$ 114.31	$ 136.60	+20%
Freight – Trucking Source: St. Louis Fed	$ 143.18	$ 136.98	$ 200.26	+40%

PPI for Transportation Equipment—Truck and Bus Bodies



Source: U.S. Bureau of Labor Statistics

Supply Chain: The public transportation industry faces risks in executing projects because of significant supply chain disruptions and global shortages of essential components, like microchips.

These disruptions may result in project and procurement delays. They may also directly impact the continued operations of manufacturers and suppliers.

Cost Increases: The cost of basic commodities, which impacts the entire supply chain, has increased up to 59 percent, compared to the five-year average. Commodity prices have softened since June 2022, when commodity prices increased up to 80 percent.

The Producer Price Index (PPI) for Transportation Equipment (Truck and Bus Bodies) has increased by 22 percent over the last 12 months, as of August 2022. The commodity price inflation rate typically experienced over the course of a year is occurring in one month.

Workforce: According to an APTA survey, 96 percent of transit agencies surveyed are experiencing a worker shortage.

For some public transit agencies, the difficulty attracting and retaining workers is impacting service, delivery, planning, and ridership recovery.

- There are approximately 2,600 transit component manufacturers in the U.S.
- 88 percent of Congressional Districts host at least one public transportation manufacturer.
- Public transportation supports and creates approximately 50,000 jobs for every $1 billion of investment.
- For every $1 invested in public transportation, $5 is generated in economic returns.

Public transportation enables our communities to provide access to opportunities and create family-wage jobs, advance equity, tackle climate change, and meet evolving mobility demands.