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Thursday, March 19, 2020

The Honorable Susan Collins
Chairman
Committee on Appropriations
Subcommittee on Transportation,
Housing & Urban Development
& Related Agencies
U.S. Senate
Washington, DC 20510

The Honorable Jack Reed
Ranking Member
Committee on Appropriations
Subcommittee on Transportation,
Housing, Urban Development &
Related Agencies
U.S. Senate
Washington, DC 20510

The Honorable David Price
Chairman
Committee on Appropriations
Subcommittee on Transportation, Housing
& Urban Development
& Related Agencies
U.S. House of Representatives
Washington, DC 20515

The Honorable Mario Diaz-Balart
Ranking Member
Committee on Appropriations
Subcommittee on Transportation,
Housing & Urban Development
& Related Agencies
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Collins, Ranking Member Reed, Chairman Price, and Ranking Member Diaz Balart:

On behalf of the member companies of the Railway Supply Institute (RSI), I write as you begin work on the third package of COVID-19 response legislation and ask that you support investments in rail infrastructure and operations. Public transportation organizations and Amtrak are undertaking extraordinary efforts to protect the health and safety of riders and maintain essential services during these challenging times. We want to ensure that the federal government includes aid to public transportation and Amtrak to help offset the substantial costs and lost revenues related to COVID-19. In addition, supplemental funds for public transportation and Amtrak are critical to maintaining the manufacturing and supply chain and ensure the continuation of essential maintenance, repair and equipment refurbishment or acquisitions. Most importantly, this action will help limit the enormous economic damage caused by the pandemic.

RSI is a trade association representing more than 200 companies involved in the manufacture of products and services in both the freight and passenger rail industries, manufacturing everything from locomotives to railcars to track, signal and train control equipment. America's railway suppliers represent a \$74 billion/year industry supporting more than 125,000 American workers, and many of these jobs could be at risk if passenger agencies do not have the resources they need to respond to this crisis.

RSI respectfully requests that you support the American Public Transportation Association's (APTA) proposal for \$16 billion to be allocated to public transit agencies to offset direct costs and revenue losses from COVID-19 in Fiscal Year (FY) 2020. These funds are necessary to maintain essential services, including providing public transportation to health care workers, Medicaid recipients who receive non-emergency medical transportation, and law enforcement personnel. Without these emergency funds, public transit agencies would

likely have to make drastic reductions in service, raise fares at a time when travelers are already struggling from COVID-19's economic effects, or delay critical infrastructure projects.

More specifically, the requested \$16 billion will help offset the following costs and losses:

- **Direct Costs:** \$1.75 billion. Based on an APTA survey, 98 percent of public transit agencies have significant increased direct costs because of COVID-19, such as increased cleaning of vehicles and facilities.
- **Farebox Revenue:** \$7.65 billion. APTA estimates a 75 percent farebox revenue loss over the March – September 2020 period and a 40 percent farebox revenue loss over the October – December 2020 period. In FY 2018, farebox revenue totaled \$16.09 billion.
- **Dedicated Sales Tax Revenue:** \$6.25 billion. APTA estimates a 75 percent dedicated sales tax revenue loss over the March – September 2020 period and a 40 percent sales tax revenue loss over the October – December 2020 period. In FY 2018, dedicated sales tax revenue for public transportation totaled \$13.17 billion.
- **Restart Costs:** \$350 million. APTA anticipates that public transit agencies will also face costs associated with restarting operations, including retraining workers.

RSI urges Congress to consider an emergency supplemental for Amtrak as well. Amtrak has been gradually reducing service and may need close to \$1 billion in supplemental funding through the end of this year. Commuter and intercity passenger rail are crucial components of an efficient transportation network allowing people to move quickly and safely to their destinations, while enhancing productivity and economic competitiveness, reducing transportation related fatalities, creating good domestic jobs, both direct and indirect, reducing dangerous emissions, and relieving highway and air congestion. Without these emergency funds, public transit agencies and Amtrak may be required to suspend services.

Thank you for considering our position on this very important supplemental funding. We would be happy to answer any questions or discuss the rail supply industry in greater detail with you.

Sincerely,



E. Michael O'Malley
President

cc: Senate Majority Leader McConnell;
Senate Minority Leader Schumer;
House Speaker Pelosi;
House Minority Leader McCarthy