

Appropriations Committee Informational Hearing
Fiscal Impact of COVID-19
Department of Transportation
June 29, 2020 1:00PM via ZOOM

1. Metro North

- **Has Metro North offered reductions to payments because of COVID-19?**

- No. Per our contractual arrangement with Metro North we make monthly subsidy (expenses less revenues) payments based on an approved budget. Additionally, we true up the monthly budgeted payments to actuals three months in arrears and make a corresponding adjustment to the current month's budgeted payment.

There may be savings within the MNR subsidy due to reduced services, though not yet realized. Costs have not initially declined at Metro North due to an initial reduction in services caused by COVID-19; union train engineers and conductors were continued to be paid in full, per their union contracts, based on the last bidding of train runs per the previous Fall 2019 schedule change. However, per a schedule change that took place on June 14, 2020 that set service to approximately 60% of the pre-COVID-19 levels, all the train runs were rebid per the required union contract processes and the result will be some level of savings achieved from reduced programmatic overtime and lower electric power usage, due to less trains being operated. These yet to be determined savings will accrue to CT via our contractual relationship with Metro North/MTA.

- **Do the federal grants from the stimulus bill cover payments for Metro North?**

- *This is not a stimulus, it's a relief package.* FTA Cares Act funding is currently covering the increased subsidy requirements caused by substantial reductions in fare revenue and increased costs related to COVID-19, such as daily cleaning of the trains and the procurement of PPE. We are continuing to monitor how long these funds will sustain our ability to cover the increased subsidy.

**See Attached CARES ACT Summary 6.25.20*

- **Will this reduce the rail subsidy within DOT?**

- No. DOT is not using CARES Act funding to supplant state funding, but rather to replace the substantial lost fare revenue and pay for extraordinary costs associated with protecting transit users and employees from COVID-19. There is likely to be a sustained downturn in ridership, and CARES Act funding will continue to be necessary for service operation until ridership and revenue have recovered adequately.

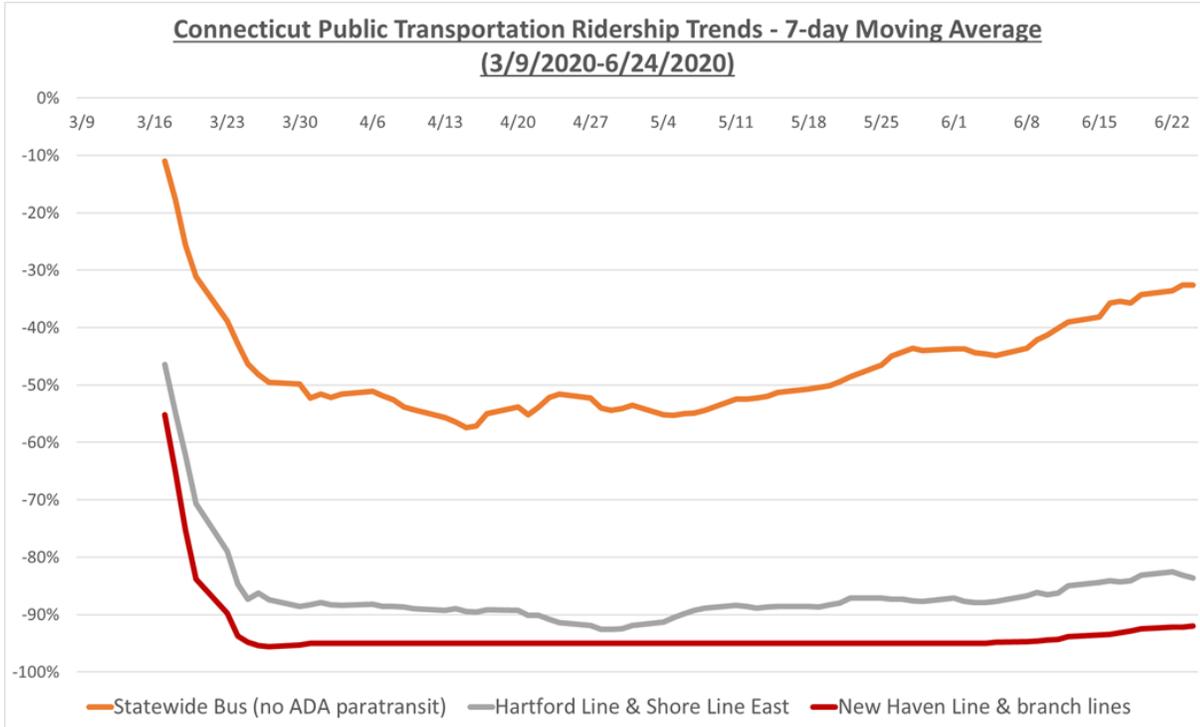
2. Transit

- **How has COVID-19 impacted ridership on rail and bus and ADA para-transit?**

- *Rail:* We initially experienced 95% ridership loss on the NHL, SLE and Hartford Line rail services. In the last few weeks the ridership loss has improved to approximately 90%.
- *Bus:* Ridership loss was initially at approx. 50-60% (depending on the community and the system) but has improved to only a 35% reduction in ridership from pre-COVID-19 average ridership in CTtransit-served communities. It should be noted that CTtransit did not reduce services on most routes during the

pandemic, and in some cases provided additional buses to reduce crowding. Our transit workers provided an essential service to our state, and continue to do so.

- ADA: Paratransit providers have shifted from customers sharing vehicles to one customer per vehicle. ADA service initially experienced declines around 94%. We are seeing numbers go up however, with the reopening of the state.



** Please note: There are significant differences in rider demographics between bus and rail. Bus riders often have lower household incomes; many do not own or have access to a car, use bus service for much of their travel needs, and are more likely to hold jobs that are not conducive to telework. Rail riders on the whole have jobs that may be able to be performed remotely and often have access to other transportation options. On the New Haven Line, only 7 percent of rail riders are low-income individuals. In comparison, 39 percent of bus riders are low-income individuals.*

• With reduced ridership, does DOT need additional funding for subsidies?

- At this time increased subsidies related to fare revenue loss and increased operational costs are being covered by FTA CARE Act funding. These funds are covering the increased subsidies across all of the transit districts in the state, as well as all rail systems with the exception of the Hartford Line. The CARES Act did not provide funds for CTrail Hartford Line, one of only two passenger rail systems in the country to be excluded. CTDOT has brought this to the attention of the FRA and FTA, and has requested assistance from the state’s Congressional delegation to help secure comparable financial support for CTrail Hartford Line service.

**See Attached Hartford Line Letter*

• What measures have been taken to enhance the cleaning of transit? Cost?

- *Transit:* Nightly sanitizing of buses at a minimum. CTransit buses are being disinfected twice per day, with a mid-day cleaning between runs.

- Cost Information: Through June 25, 2020, there has been roughly \$706,000 in additional expenses that CTtransit has incurred, including additional labor, supplies and materials, and contracted cleaning services. The average of the last 10 weeks has been roughly \$48,000 per week, which projects to an additional \$2.5M of expenditures next year. Please note that these additional costs have been budgeted to be paid from the FTA CARES Act funds at least through SFY21.
- Rail: Nightly sanitizing of all trains including an interior wipe down of high contact surfaces using enhanced cleaning and disinfection protocols recommended by the CDC. Station operators have increased cleaning of stations using CDC-recommended cleaning products and methods. At our busiest train stations, Stamford, Bridgeport and New Haven, touch points such as door handles, escalator handrails and elevator buttons are being wiped down multiple times each day.
 - Cost information for Shoreline East and CTrail Hartford Line: Through June 25, 2020, these lines have experienced combined expenses of roughly \$22,500 in additional costs for cleaning and disinfecting. This amount is low due to reduced service on these lines. The anticipated costs for SFY21 for these two lines are projected to be \$720,000.
 - Cost information for Metro North Railroad: Through April 30, 2020 MNR has reported \$1.2 million as the CT share of additional costs due to COVID for cleaning and sanitizing trains and stations that they maintain on the New Haven Line. We are projecting these costs to be \$15 million for SFY21. Please note that these additional costs have been budgeted to be paid from the FTA CARES Act funds at this time.

Protective Measures for the Frontline Workforce

- CTDOT and its service providers have acquired nearly 100,000 face masks for bus drivers, train crews, mechanics, station cleaners and customer service representatives. CTDOT also eliminated front-door boarding where possible, ensuring at least six feet distancing between the drivers and the passengers. In addition, CTDOT has proceeded to execute a contract to procure and install additional protective driver barriers for CTtransit buses, and is helping other transit districts take advantage of similar procurement opportunities. Lastly, CTDOT worked to ensure all transit workers were considered “critical essential workers” for the purposes of being provided priority access to COVID-19 testing.

3. Rest Areas & Service Plazas

- Are the rest areas open?
 - Rest areas (CTDOT owns and operates 7 rest areas in the towns of Danbury, Southington, Willington, Wallingford, Middletown, and North Stonington) :
 - State rest areas have remained open 24/7 with enhanced cleaning and sanitization procedures.
 - In response to COVID-19, the Federal Highway Administration (FHWA) allowed for temporary commercial activity at rest areas (i.e. FHWA suspended enforcement of their commercial activity prohibition) in April. Federal action in addition to an Executive Order issued by Governor Lamont allowed CTDOT to institute an emergency food truck program at designated “high demand” rest areas to serve commercial truckers and essential travelers, who were finding it difficult to find food options along essential routes. “High demand” areas providing food truck service include North Stonington (I-95), Wallingford (I-91), Middletown (I-91), and Danbury (I-84) – and expanded to Southington (I-84.) CTDOT issued 13 permits through an application process and is now phasing out the program as area restaurants and food service options have expanded for truckers and travelers with Connecticut’s phased reopening.

- *Service plazas (CTDOT owns 23 service plazas on Route 15, I-395, and I-95 that are operated and maintained through a privately operated concessionaire – Project Service, LLC.)*
 - Service plazas on I-95, I-395 and most on the Merritt and Wilbur Cross Parkways remained open with stepped-up cleaning and sanitization procedures, but tenants reduced hours due to lack of traffic.
 - Four service plazas on the Merritt Parkway in New Canaan and Orange were temporarily closed on March 30th and since re-opened on June 11th, 2020.
 - Limited indoor seating is now open at the I-95 service plazas. Seating is arranged to meet the current social distancing requirements and masks should still be worn by customers when not eating. Indoor seating is not available at the 395 and Route 15 plazas. Outdoor seating was restored on May 20th.
- **What is the protocol for sanitizing and have there been extra costs associated with this?**
 - *Rest Areas - cleaning measures:* A cleaning contractor was brought on to perform a one-time deep cleaning of rest area facilities. This is in addition to the standard daily cleaning duties that include cleaning of glass in lobbies, chairs, railings, vending machines, doors, windows, as well as the cleaning and sanitizing of restrooms. The cost for the initial deep cleaning of rest areas in early April was \$3,036.58. Additional costs are estimated to be minimal.
 - *Service Plazas - cleaning measures:* The cleaning staff is trained to disinfect all areas they clean on a regular basis. The staff is focusing on all high touch surfaces. Sanitizer dispensers for all plazas were placed in the common areas (mainly at the entrances). Each of the tenants are following their company guidelines and procedures with regards to cleaning frequently and sanitizing and disinfecting. Costs for the cleaning of service plazas are covered through the Department's existing contract with our concessionaire, Project Service, LLC.

4. Projects

- **What has been the protocol for workers on transportation projects?**
 - Construction project personnel are following state guidelines as required by the governor and published information from the CDC, Public Health and OSHA. Contractor's Health and Safety Plans (HASP) for each project have been developed/ revised to address COVID-19. Workers are adhering to the revised plans, which includes social distance, small crews, frequent cleaning, hand sanitizer, face masks, single driver per vehicle (no riders); staggered hours in field offices.
 - On April 7th, CTDOT's Transportation Safety director issued a Safety Bulletin that provides guidance for Construction and Surveys Field Staff. This was complemented by the issuance of a Construction Directive on April 8th, "CD-2020-1 COVID-19 Field Staff Awareness Directive.
 - Letters were sent to contractors doing business with CTDOT on April 7th advising them to update their Health and Safety Plans (HASPs) to include a COVID-19 Safety Response Plan. CD-2020-2, "COVID-19 Field Staff Awareness and Safety Plan" directive was issued on April 14th superseding CD-2020-1, which was issued on April 7th.
 - On April 17th, a "Revised Division of Materials Procedures Due to COVID-19" bulletin was issued to Construction staff outlining revised materials testing procedures
 - Exercising all COVID-19 recommended protocol for face covering and social distancing.
 - Safety Directives:
 - https://portal.ct.gov/-/media/DOT/documents/AEC/CB-2020-1_DMT_Procedures_COVID-19.pdf
 - https://portal.ct.gov/-/media/DOT/documents/dCOVID/SafetyBulletin_COVID19-CS-Field-Staff-Awareness_040720.pdf

• **Have projects been finishing on schedule or have there been any delays?**

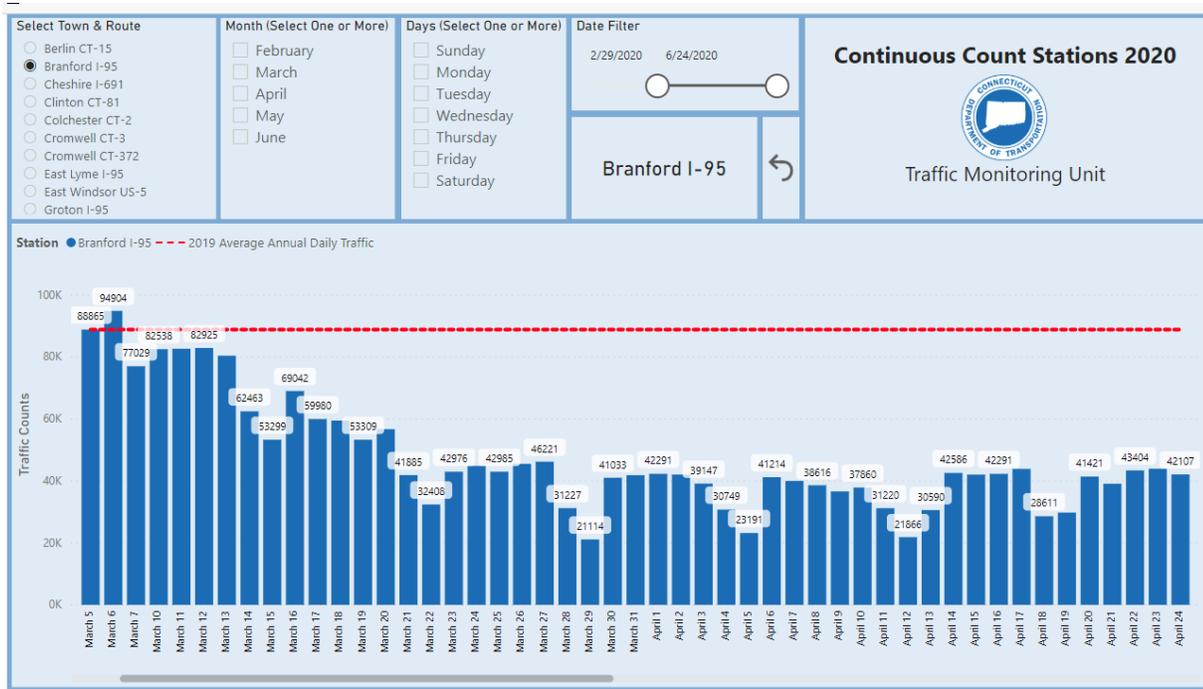
- CTDOT has continued to advance project designs and prepare bid packages. Project delivery in 2020 compares favorably to the same period in 2019. In addition, the use of overtime has been reduced without sacrificing productivity.

Year	Number of Projects Delayed Until Next Federal Fiscal Year March to June	Percent of Projects Delayed Until Next Federal Fiscal Year March to June
2020	0	0.0%
2019	7	8.6%
2018	1	1.3%

- With regard to construction activities, the majority of projects remain on schedule, with a limited number experiencing delays. Many projects experienced initial delays in March when the pandemic first hit the state, but with the decrease in traffic volumes on our roadways, CTDOT was able to allow the contractors to modify their limits of operations (taking an additional lane or doing daytime work versus nighttime work, for example) and most projects were able to recover the lost time.

Traffic Monitoring Dashboard:

<https://app.powerbigov.us/view?r=eyJrIjojODU5NDg4NzMtNmNmNWxNC00YTI0LTg4M2Q0YjQ0ZDI1NWZiZWE5IiwidCI6IjExOGI3Y2ZlLWEzZGQ0NDhiOS1iMDI2LTMxZmY2OWJiNzY0YjY0>



• **Has DOT seen extra costs with projects because of COVID-19?**

- Increased costs have been minimal at this time. There have been some costs for the extra cleaning in the Health and Safety Plan (HASP) or as requested by CTDOT Construction staff. Future extra costs due to project delays have yet to be determined. There may be more costs near the end of the year once the total COVID-19 impact has been realized.

- **Have municipalities been able to complete projects on time? Have they reached out to DOT for additional services?**
 - In the **Local Transportation Capital Improvement Program (LOTICIP)** there is the somewhat normal slippage of project schedules, but the towns have not asked the Department for additional services. The sense we get is that the towns are working through their issues at the local level whether they be financial or resource related.
 - In the **federal Transportation Alternative (TA) program**, the municipalities continue to make progress and we resolve issues as they arise with no apparent large impact or request for additional services due to COVID-19.
 - **The Federal and State local bridge programs** have not had delays that would be contributed to COVID-19. We have not received any requests for additional resources from any towns. The local bridge unit has maintained communications through phone, teleconferencing, etc., with all towns that have design and construction projects and applications with CTDOT. In fact, it's been easier to get a hold of town staff. All towns have accepted changes like digital submittals fairly readily.

5. Federal Funds

- **Has DOT received the federal funds from the stimulus package? How has this impacted DOT expenditures?**
 - To date, \$488M has been apportioned to CTDOT through the FTA via the CARES Act. The CARES Act is a *relief* bill rather than a *stimulus* package. This funding is intended to cover Transit Related Operations and is subject to FTA Section 5307 and Section 5311 guidelines. These funds are programmed to cover additional operating costs resulting from lost ridership and related farebox revenue. Additionally, it is covering non budgeted costs associated with the response to COVID-19 across transit operations, such as cleaning, etc.
 - CARES Act funding has been programmed to cover increased operational costs due to revenue losses from lost ridership for statewide public transit systems, due to COVID-19. It did not provide funds for Highways, Hartford Line, or other increased Department costs due to COVID-19.
- **Will these federal funds have an impact on the STF?**
 - These funds will not impact the STF directly, as the funds are programmed to support 5311 and 5307 public transit operations in excess of available appropriations. Essentially, the federal funds will pay for operational costs to cover the lost farebox revenue due to lost ridership, which will allow for 100% system functionality. This will ensure a no net-negative effect on the STF, as a result of lost ridership or increased cleaning costs, as the fund will not bear a greater burden through higher subsidy to cover lost revenue. This will not, however, replace lost revenue for the STF from motor fuel taxes and other sources.
- **Will municipalities reach a portion of these funds?**
 - Municipalities are not eligible applicants under the FTA 5307 and 5311 programs, however, all of the state's Transit Districts are, and Agreements have been reached with all the Transit Districts and they are collectively apportioned approximately \$27.4M so far, which benefits the municipalities they serve. The Transit Districts are direct applicants of these funds through the FTA.
 - Additionally, under the 5311 funding the five Rural Transit Districts have been apportioned an additional \$8.4M, which benefits the municipalities they serve.

6. COVID-19

• What has been the overall impact to DOT because of COVID-19?

- Throughout the COVID-19 crisis, CTDOT remained open and operational as an essential state agency. Our decision-making process continues to be guided by protecting the health and safety of our employees and the traveling public and maintaining our essential work functions. Unlike some other state DOTs, the Department avoided most disruptions and maintained public transit for essential travel (at reduced levels), kept construction projects moving forward, and kept rest areas open 24/7 to support commercial truckers. We modified our day to day operations to minimize COVID-19 risks (telework, staggered shifts, and safety directives) and have proudly assisted in the State's coronavirus response and recovery.
- The Department launched an internal **COVID-19 Steering Committee** in April. The group is looking at every aspect of the workplace and ways to make it as safe as possible for employees upon their return. To date, the committee has received and is currently reviewing 486 comments and suggestions from employees.
- Constant **communications** with agency employees has been imperative and include:
 - Weekly email updates from the Commissioner;
 - Safety Directives from CTDOT's Office of Occupational Health & Safety as needed; and
 - An employee survey on COVID-19 concerns with over 60% of employees responding.
 - Overwhelming concern with COVID-19 exposures in the workplace (high touch areas, proximity to others, PEE/supplies, and bringing COVID-19 home to high risk members of their household)
 - Agency employees understand the importance of masks and disinfecting personal/common area work spaces.
- **Staffing:** The Department has nearly 3,000 employees and 1458 were approved for telework. 1537 employees work in field - mostly maintainer positions - and cannot be approved for telework. However, maintenance crews were moved to a 50/50 schedule on March 31, 2020; meaning one week in field, one week in training. The Department reduced staffing during COVID-19's peak to help reduce the risk of exposure in the workplace, while allowing CTDOT to properly plan for and to acquire high-demand items (PPE and cleaning supplies) necessary to sustain full operations. Maintenance crews were restored to a full operation schedule on June 22, 2020.
- **CTDOT Buildings:** The Department extended the hours of operations at our Headquarters in Newington to allow for increased flexibility and the staggering of employees entering the building at any given time. In addition to nightly cleaning crews, continuous day cleaning crews were added to constantly rotate throughout the building to disinfect high touch points. Visitor access was restricted at headquarters and all other Department facilities and garages.
- **"Return" to Work:** The Department is taking our lead from the Governor and will continue to follow state guidance on telework - all CTDOT employees who are able to work from home will continue to work from home. As mentioned above, we are steadily preparing thru the COVID-19 Steering Committee for a future workplace reentry to ensure we are aligned with all health and safety guidance.

Link to Safety Directives below, including COVID-19 Face Coverings Requirements, Highway Operations Facilities - Standard of Care for Cleaning, Disinfecting and Sanitizing, Highway Operations - Employee

Health Self-Assessments and Visitor Logs, Physical Distancing in Vehicles, Employee Assessment, Exposure and Actions and COVID-19 Presumptive, Probable or Positive Cases.

Link: <https://portal.ct.gov/DOT/StaffCOVID/Safety>

Other DOT Activities to note:

- **Honoring Health Care Workers:** On April 6th, the Department lit the Pearl Harbor Memorial Bridge red to honor the health care workers on the front lines of the COVID-19 battle. The bridge will remain lit for the duration of this crisis. Read more: <https://www.nbcconnecticut.com/news/local/q-bridge-to-be-lit-in-red-to-honor-health-care-workers/2251003/>
- **New Haven CVS Testing Site:** In April, members of CTDOT team answered the call to help stand up a rapid COVID-19 testing center at the former Gateway Community College campus in New Haven. Please see link to video put together by the Connecticut State Police.
Video: <https://drive.google.com/file/d/1GORj5jqjVAsyNUFyLxhW0rVS7bMdV1ip/view>
Read more: <https://www.nhregister.com/news/article/Major-coronavirus-testing-site-opens-today-in-New-15207313.php>
- **New Haven Decontamination Site:** In April, CTDOT coordinated with DAS for the use of the District 3A facility on 424 Chapel Street, New Haven for Battelle Critical Care Decontamination System (CCDS) which allows health care workers to reuse respirator masks. DOT personnel at the facility have been relocated. Read more: <https://www.wtnh.com/news/connecticut/respirator-mask-reuse-possible-with-decontamination-site/>
- **COVID-19 Response Set Up Assistance:** In April, CTDOT crews help make way for a National Guard mobile hospital in Sharon, set up a 2,000 gallon temporary fuel tank for the Office of the Chief Medical Examiner in Farmington, and delivered concrete blocks and jersey barriers to assist National Guard with staking tents, etc., for additional medical tents outside hospitals (Middlesex, Sharon, Connecticut Children’s Medical Center).
- **Temporary Food Truck Permit Program:** In April, CTDOT implemented an initiative to allow food trucks at select Rest Areas to help feed commercial truckers and other essential workers during the COVID-19 pandemic after commercial activity restrictions were lifted, including an Executive Order by Governor Lamont.
Read more: <https://www.myrecordjournal.com/News/Wallingford/Wallingford-News/Food-trucks-set-up-at-Wallingford-rest-stop-to-aid-truckers.html>
- **Outdoor Dining Permits:** In May, in conjunction with the Governor’s Executive Order permitting restaurants and certain businesses to reopen in the coming weeks, the Connecticut Department of Transportation (CTDOT) established a process by which businesses may apply for and obtain a permit to use the state highway right of way (outside of the travel portion of the state road) for outdoor dining and other outdoor activities which ordinarily would not be permitted.
Outdoor Dining & Other Activities in the State Right of Way: <https://portal.ct.gov/DOT/Permits/Permit-Outdoor-Dining-Other-Activities-ROW>
Read more: <https://ctmirror.org/2020/05/23/covid-19-update-connecticut-dot-gives-a-boost-to-outdoor-dining/>
- **Help Our Heroes, Please Don’t Speed:** In May, the Connecticut Department of Transportation and the Connecticut State Police launched a new speed enforcement campaign, “Help Our Heroes, Please Don’t

Speed”. Messaging was placed on Connecticut highways, and two new Public Service Announcements were created. The new messages on the electronic signs on the highways, read “Help Our Heroes - Please Don’t Speed.”

Read more: <https://www.nbcconnecticut.com/news/local/state-urging-motorists-to-slow-down/2268374/>

The new PSAs may be downloaded here:

https://drive.google.com/file/d/1unoZg4Rm_XuYuq0q21zMxy3ZXlrUwg2Y/view

<https://theflatironworks.wistia.com/projects/imb1xbiw63>

- **'Heroes Moving Heroes' Student Poster Contest:** In June, CTDOT launched a student poster contest for elementary school children to recognize and thank bus drivers and other public transit workers who have become “heroes moving heroes” and “essential workers on wheels” during the coronavirus pandemic. Winners that illustrate “Thank You for All You Do” or “Healthy Habits on the Bus to Keep Everyone Safe” such as wearing masks and not touching your face will have their artwork enlarged, printed and displayed at bus shelters, maintenance garages and other public transportation facilities. Read more: <https://portal.ct.gov/DOT/News-from-the-Connecticut-Department-of-Transportation/2020/CTDOT-Sponsors-Student-Poster-Contest-to-Thank-and-Recognize-Transit-Workers>
- **Bump the Button Campaign:** In June, with more businesses reopening and more vehicles on Connecticut’s roadways, CTDOT is encouraging pedestrians to “Stop the Spread, Bump the Button” at pedestrian crosswalks. Pedestrians are advised – in [English](#) and [Spanish](#) – to use their elbow or arm, rather than their hands, to push the button for a walk signal. CTDOT has adhered “Bump the Button” decals to call buttons along state roadways and begun to replace agency-managed pedestrian crosswalk call buttons in several large cities, including Hartford and New Haven, with modern, larger call buttons for “bumping.” Additional cities will be considered for these call button upgrades as funding permits
- **DMV Reopening:** In June, CTDOT District Special Services and Maintenance staff assisted Department of Motor Vehicle (DMV) with traffic control patterns and signage to assist with the reopening of State DMV buildings across the state.

7. Legislation

- **Is there legislation that will help reduce costs to DOT?**
 - YES. Modernization of Public Transit Contracting (LCO No. 3159) S.B. No. 151 - AAC RECOMMENDATIONS BY THE DEPARTMENT OF TRANSPORTATION.

**Please see attached Modernization of Public Transit Contracting 06.26.20*

CTDOT is permitted under CGS 13b-34 to contract for bus service while under 13b-80 private operators can operate bus routes under route-specific certificates. For more than 40 years, the Department contracted for almost all fixed route bus service in Connecticut; whether they were covered by a certificate or not, in order to subsidize the shortfall in revenue as private bus companies could no longer operate those routes at a profit.

A recent court ruling determined that each bus company which enters into a contract with the Department under 13b-34 must obtain a certificate under 13b-80. The court’s ruling would require the

Department to issue a certificate for each of the approximately 200 routes operated under contract for the Department.

The agency has proposed this amendment to allow the Department to continue its past practice of the last 40 years to contract for subsidized routes without the added regulatory burden of having to issue a certificate under 13b-80 for each route. The requirement that a contractor obtain a certificate under 13b-80, which requires the contractor to demonstrate a need for the service, is duplicative of the Commissioner's determination of a need for the contracted service under 13b-34.

Private carriers who possess certificates will not be affected by this proposal since they currently operate under contract with the Department and are paid a management fee in addition to all their expenses. They are not compensated based upon ridership.

- **Is there any legislation DOT needs because of COVID-19?**

At this time, the Department is having on going conversations with the State Police regarding speed camera enforcement in highway work zones.

8. Vacant Positions

- **How many vacant positions does DOT have?**

As of June 16, 2020, there were 343 vacant positions; 217 are currently in the process of being filled.

- **What is the funding associated with these?**

DOT's vacant positions are funded with Personal Services appropriated funds, with some (i.e., Engineering and Planning) positions also supported by federal/state project funds.

CONNECTICUT DEPARTMENT OF TRANSPORTATION

The CARES Act - Federal Transit Administration Funding

June 25, 2020

Background:

The federal CARES Act was signed into law on March 27, 2020 and allows for eligible expenditures related to the COVID-19 Pandemic to be covered going back to January 20, 2020.

For the Federal Transit Administration (FTA), the CARES Act apportioned funding under two federal funding sources for a total amount available to Connecticut of **\$487,560,652**. See Table 1 below.

The first federal funding source, and the predominance of the funding, in the final amount of **\$477,420,153**, was apportioned by Urbanized Area in the Section 5307 program and included the Section 5340 and 5337 funds in the Section 5307 apportionment. Traditionally, the Section 5307 program provides funding to public transit systems in Urbanized Areas for public transportation capital and planning projects as well as operating expenses in certain circumstances.

Additionally, FTA apportioned funding under the Section 5311 Program for a total amount of **\$10,140,499**. Traditionally, the Section 5311 Program provides funding to states for capital, planning and operating assistance to support public transportation in rural areas.

Under the Act, funding is provided under both of these federal sources, to prevent, prepare for, and respond to COVID-19. Funds are available for all operating activities (net fare revenues) that occurred on or after January 20, 2020. In general, operating expenses are those costs necessary to operate, maintain, and manage a public transportation system. Operating expenses usually include such costs as driver salaries, fuel, and items having a useful life of less than one year, including personal protective equipment and cleaning supplies.

For the CARES Act Section 5311 Program, just like the annual program, the Connecticut Department of Transportation (CTDOT) is the designated FTA grant recipient and passes the funding through to the rural transit districts as subrecipients to the Department. For the CARES Act Section 5307 Program, just like the annual program, the funds are apportioned by urbanized area and therefore Urbanized Area Split Agreements are required. Please note, this is a requirement of the 5307 program and Split Agreements are not required for the 5311 Program. Urbanized areas cross state lines; therefore, it is necessary to enter into Interstate Split Agreements with all the surrounding states of New York, New Jersey, Massachusetts and Rhode Island as we have done historically and annually with the Section 5307 apportionments. Under the long-standing historical letters of Interstate Split Agreements, Connecticut agrees to give funding to NY-NJ and RI and we receive funding from MA through the Springfield and Worcester urbanized areas.

Please note that all the Interstate letters of agreements have been agreed to and executed.

The next step in moving forward for any grant recipient to receive FTA Section 5307 funding is to agree and enter into the *Intrastate* Split Agreements with the Transit Districts statewide. The Transit Districts that are currently direct FTA grant recipients and required to sign the Split Agreements are: Greater Hartford Transit District, Greater New Haven Transit District, Middletown Area Transit, Milford Transit District, Greater Bridgeport Transit Authority, Norwalk Transit District, Naugatuck Valley COG (on behalf of Valley Transit District), Housatonic Area Regional Transit, Estuary Transit District and Southeast Area Transit.

In order to expedite the grant application process with FTA, the Department has entered into "Interim" Split Agreements to allow each operator to move forward with an estimated amount for the near term. This will enable

all the operators and the Department to develop grant applications in the federal system and begin to receive federal reimbursement much quicker and provide the needed cash flow to maintain operations

Please note that Interim Intrastate letters of agreements with the Transit Districts have been agreed to and executed.

The funding amounts in the Interim Split Agreements (See Table 2 below) should sustain the Transit Districts for a minimum of 9-12 months and includes additional expenses associated with COVID 19 such as personal protective equipment (PPE) and driver barriers. The first of the two rounds of grant applications initially obligate \$233,400,000 by FTA and leave \$244,020,153 “unassigned” until a final set of Transit District Split Agreements can be properly calculated. It is anticipated that this would occur in Sept/Oct allowing the Department additional time and data gathering regarding the duration of COVID-19 and the overall impact to transit operations statewide.

Table 1: Final Apportionments - FTA CARES Act - Section 5311 Program and Section 5307 Program by Urbanized Area reflective of the Interstate Agreements.

**FTA FFY 2020 CARES Act Apportionments
Section 5307 and Section 5311**

FTA Section 5307 CARES Act		
Urbanized Area	Apportionment	CT Share
Hartford	\$78,765,542	
Springfield	\$6,198,838	
Worcester	\$729,802	
Total Hartford UZA		\$85,694,182
New Haven	\$65,158,838	
Total NH UZA		\$65,158,838
Bridgeport-Stamford (UZA 48)	\$83,472,138	
Less NY (UZA 48)	\$3,641,536	
NY-NJ-CT UZA 1 (5337)	\$170,948,867	
Total Bridgeport-Stamford UZA		\$250,779,469
Norwich-New London	\$11,472,096	
Less RI	\$1,210,687	
Total Norwich-New London UZA		\$10,261,409
Governor's Area	\$65,526,255	
Total Governor's Area UZA		\$65,526,255
Total Section 5307 Funds CT		\$477,420,153
Total Section 5311 Funds CT	\$10,140,499	\$10,140,499
Grand TOTAL CARES Act Funds CT		\$487,560,652

Table 2: Executed Interim Transit District Split Agreement and Apportionment Amounts

Transit District	Amount
Greater Hartford Transit District	\$2,000,000
Middletown Area Transit	\$1,200,000
Greater New Haven Transit District	\$2,500,000
Greater Bridgeport Transit Authority	\$9,000,000
Milford Transit District	\$1,000,000
Norwalk Transit District	\$4,300,000
Valley Transit District	\$700,000
Southeast Area Transit	\$2,700,000
Estuary Transit District	\$1,000,000
Housatonic Area Transit	\$3,000,000
TOTAL to Transit Districts	\$27,400,000
CT TRANSIT	\$50,000,000
New Haven Line	\$150,000,000
Shoreline East	\$6,000,000
TOTAL to CTDOT	\$206,000,000
GRAND TOTAL FIRST ROUND	\$233,400,000

Table 3: Section 5311 – Rural Transit Districts

Rural Transit District	100% Federal	Transit District Total
Estuary TD	\$221,849.00	\$221,849.00
Middletown Area TD	\$355,263.00	\$355,263.00
Northeastern CT TD	\$1,282,526.00	\$1,282,526.00
Northwestern CT TD	\$3,111,473.00	\$3,111,473.00
Windham Region TD	\$3,441,188.00	\$3,441,188.00
Total	\$8,412,299.00	\$8,412,299.00

** Does not include Grant Application amounts for Administration, Rural Planning, or Intercity Bus Transportation set aside.*



STATE OF CONNECTICUT DEPARTMENT OF TRANSPORTATION



2800 BERLIN TURNPIKE, P.O. BOX 317546
NEWINGTON, CONNECTICUT 06131-7546

April 16, 2020

Senator Richard Blumenthal
706 Hart Senate Office Building
Washington, D.C. 20510

Senator Chris Murphy
136 Hart Senate Office Building
Washington, D.C. 20510

Congressman John B. Larson
1501 Longworth House Office Building
Washington, D.C. 20515

Congressman Joe Courtney
2332 Rayburn House Office Building
Washington, D.C. 20515

Congresswoman Rosa DeLauro
2413 Rayburn House Office Building
Washington, D.C. 20515

Congressman Jim Himes
1227 Longworth House Office Building
Washington, D.C. 20515

Congresswoman Jahana Hayes
1415 Longworth House Office Building
Washington, D.C. 20515

Dear Members of the Connecticut Congressional Delegation:

Passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act last month provided much needed financial support for public transportation entities and programs throughout the State of Connecticut. On behalf of the Connecticut Department of Transportation (CTDOT), thank you for your advocacy on our behalf. CTDOT has discovered, however, a funding gap for CTrail Hartford Line COVID-19 related expenses and revenue loss. As you and your congressional colleagues consider additional legislation to address the pandemic and its economic effects, I ask that you support funding for intercity passenger rail service through the Federal Rail Administration (FRA) to assist states like Connecticut with ongoing COVID-19 related expenses, revenue losses and ongoing operating costs.

As you know, the CARES Act makes funding available to Amtrak for state-supported intercity passenger rail services, such as the Amtrak Vermonter and Amtrak Hartford Shuttle. CARES Act funding is also available for commuter rail services through the Federal Transit Administration (FTA). Unfortunately, no federal assistance is available for CTrail Hartford Line, a state-run intercity passenger rail service. Unlike most intercity passenger rail programs in the country, the Hartford Line service was created under the FRA High Speed Intercity Passenger Rail Program through the American Recovery and Reinvestment Act of 2009 and is therefore not eligible for FTA funding, including FTA funding under the CARES Act.

Ridership levels on the Hartford Line have declined by more than 90 percent and these losses are likely to be sustained for months or more as the public health emergency continues. COVID-19 related expenses include sanitizing trains, increased cleaning at stations and maintenance facilities, cleaning supplies, and personal protective equipment (PPE) for train crews and

mechanics. Further, the loss of revenue in the State Special Transportation Fund due to COVID-19 has created funding shortfalls. These funding challenges will negatively impact Hartford Line.

Therefore the Department is requesting at least \$11.8 million grant-in-aid funding to be included in the next congressional relief package to assist the state with ongoing COVID-19 related expenses, revenue losses and ongoing operating costs for CTrail Hartford Line intercity passenger rail service. For CTrail Hartford Line, immediate federal assistance is necessary to ensure this service continues uninterrupted for those who depend on it.

Thank you for your time and consideration of this request.

Sincerely,

A handwritten signature in black ink, reading "Joseph J. Giulietti". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Joseph Giulietti
Commissioner

DEPARTMENT OF TRANSPORTATION

2020 Priority Agency Legislation

S.B. 151 (LCO No. 3159) - AAC RECOMMENDATIONS BY THE DEPARTMENT OF TRANSPORTATION.

Sections 2 & 3: Modernization of Public Transit Contracting

Rationale for Bill/Sections and Consequences of Inaction:

Background

There are eighty-four bus companies registered to do business in the State of Connecticut. These companies range from small family run business to large regional companies. They provide a variety of transportation services including school district bus service and charter services, but only six provide fixed route public transportation for the state.

The Department is responsible for the coordination and development of the statewide public transportation system. There are a total of nineteen service providers delivering bus transit service, thirteen of which are locally controlled, independently operated transit districts and six service providers that deliver *CTtransit*-branded service. The six service providers (bus companies) that provide *CTtransit* services have contracts with the Department. The Department supplies these six bus companies with buses and fully reimburses them for labor, vehicle maintenance, fuel, facility and other costs. The bus companies also receive a guaranteed profit over and above their expenses. These contracts are executed under the Commissioner's CGS § 13b-34 authority.

Historically, these six companies operated fixed route bus service without any state subsidy. All revenues came from passenger fares. Certificates were required for bus companies operating with their own capital resources without any subsidy. As automobile ownership increased, bus ridership decreased and bus companies could no longer profitably provide fixed route bus service to the public, resulting in the elimination or reduction of service along with increased fares. In order to maintain the viability of public bus service, the Department began subsidizing bus service as early as the 1970s. Thus, for more than forty years, the Department contracted for almost all fixed route bus service in Connecticut; whether the contractor possessed a certificate or not, in order to subsidize the shortfall in revenue as private bus companies could no longer operate those routes at a profit.

Today, less than thirty percent of the revenue comes from the fare box. Without the Department's subsidy contracts, these six bus companies would have to make up a seventy per cent revenue shortfall in order to make the service viable. They would have to run the service using their own buses, labor, vehicle maintenance, fuel, facilities and absorb all other costs without a taxpayer subsidy. The only way these six bus companies could provide such a service would be at a much greater cost which would make the service unaffordable to low income riders, greatly reduce ridership and threaten the viability of the service.

The Department is not the sole source of revenue for the six bus companies. These for-profit companies may compete for other work, such as school bus services and charter opportunities. None of those six bus companies provide fixed route service without a contract with the Department. As with any other

services provided to the taxpayers of Connecticut, the Department must ensure best value and/or lowest cost to taxpayers.

Issue

A recent court ruling has introduced unintended consequences by requiring that the two statutes that provide fixed route bus service in Connecticut be read together. The two statutes, in two separate chapters of the general statutes, follow:

1. CGS § 13b-34 authorizes the Commissioner to contract for bus service directly with private providers when the Commissioner determines that there is a need for the service.
2. CGS § 13b-80 authorizes a private entity to operate fixed route bus service without financial support from the Commissioner after making the requisite showing of a need for the service in order to obtain a certificate of public convenience and necessity (certificate) from the Department.

The resulting interpretation is that every Department contracted route (currently 183 routes) must then have a certificate. This will result in the payment of the \$176 application fee for each such certificate, a cost that will be charged back to the Department as part of the contract service. The fee is also charged for each application to amend a certificate which is necessitated every time a bus route is changed. It will also require the Department to add at least two full time positions to process applications and payments for new certificates and amendments.

Recommendation

The Department seeks legislation to disconnect the two statutes, as there is no benefit in requiring its contractors obtain a certificate. The Department already determined the need for the service through the issuance of the contract under its CGS § 13b-34 authority. It is a pointless exercise to require contractors to obtain a certificate, because the process and vetting required to obtain a CTDOT contract is the same as to obtain a certificate.

The Department is not seeking to take certificates away from their holders. Any certificate holder would still be permitted to operate a certificated route at its own cost and expense, something which Dattco, during its testimony in opposition to this bill, stated it was willing to do based upon its experience with its New Bedford to Boston route. The Department notes that Dattco did not tell legislators that its Massachusetts service costs roughly twice as much as the highest fares found in Connecticut today for a similar service. The Department would gladly accept any company's offer to operate bus service without a subsidy contract in order to save the taxpayers money. The question becomes whether it is good public policy to accept reduced ridership and reduced availability of public transportation resulting from such higher cost private bus service.

Consequences if legislation is not adopted

If the proposed bus certificate legislation does not pass, the Department must begin issuing certificates to all bus companies doing business with the state. Staff will need to create 183 unique certificates for the 183 bus routes statewide. Since the court determined the certificates are not exclusive, we expect multiple bus companies will seek certificates for the same bus routes. This will kick-off an era of perpetual litigation with bus companies arguing over the question of whether the competitor's service is needed and which company is entitled to a subsidy contract for the service. That has already happened in litigation filed in February of this year by three of the contract bus companies challenging the applications of a competitor for certificates. Also, we expect it will require tens of thousands of man

hours annually to administer the certificates, which includes processing applications and amendments to certificates and responding to the inevitable future litigation. Lastly, in an emergency situation as we are faced with today with the COVID -19 epidemic, the Department has had to implement changes to bus routes quickly to respond to this crisis. If the Department were required to process amended certificates for each of these changes, the Department's ability to respond expeditiously would be severely hindered.

Language:

Sec. 2. Subsection (a) of section 13b-34 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2020*):

(a) [\(1\)](#) The commissioner shall have power, in order to aid or promote the operation, whether temporary or permanent, of any transportation service operating to, from or in the state, to contract in the name of the state with any person, including but not limited to any common carrier, any transit district formed under chapter 103a or any special act, or any political subdivision or entity, or with the United States or any other state, or any agency, instrumentality, subdivision, department or officer thereof, for purposes of initiating, continuing, developing, providing or improving any such transportation service. Such contracts may include provision for arbitration of disputed issues.

[\(2\)](#) The commissioner, in order to aid or promote the operation of any transportation service operating outside the state, may contract in the name of the state with any person, including, but not limited to, any common carrier, or with the United States or any other state, or any agency, instrumentality, subdivision, department or officer thereof, for purposes of providing any transportation service in the event such assistance is required in the case of an emergency or a special event.

[\(3\)](#) The state, acting by and through the commissioner, may, by itself or in concert with others, provide all or a portion of any such [transportation](#) service, share in the costs of or provide funds for such service, or furnish equipment or facilities for use in such service upon such terms and conditions as the commissioner may deem necessary or advisable, and any such contracts may include, without limitation thereto, arrangements under which the state shall so provide service, share costs, provide funds or furnish equipment or facilities. To these ends, the commissioner may in the name of the state acquire or obtain the use of facilities and equipment employed in providing any such service by gift, purchase, lease or other arrangements and may own and operate any such facilities and equipment and establish, charge and collect such fares and other charges or arrange for such collection for the use or services thereof as he may deem necessary, convenient or desirable.

[\(4\)](#) The commissioner or any fare inspector, as defined in section 13b-2, shall have the authority to issue citations for any violation of section 13b-38i. The commissioner may also acquire title in fee simple to, or any lesser estate, interest or right in, any rights-of-way, properties or facilities, including properties used on or before October 1, 1969, for rail or other forms of transportation services. The commissioner may hold such properties for future use by the state and may enter into agreements for interim use of such properties for other purposes.

[\(5\)](#) Any person contracting with the state pursuant to this section for the provision of any transportation service shall not be considered an arm or agent of the state [and any person contracting with the state pursuant to this section for the provision of any motor bus service shall not be subject to](#)

[the provisions of section 13b-80, as amended by this act](#). Any damages caused by the operation of such transportation service by such person may be recovered in a civil action brought against such person in the superior court and such person may not assert the defense of sovereign immunity in such action.

Sec. 3. Section 13b-80 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2020*):

[No] [Except as provided in subdivision \(5\) of subsection \(a\) of section 13b-34, as amended by this act,](#) **no** person, association, limited liability company or corporation shall operate a motor bus without having obtained a certificate from the Department of Transportation or from the Federal Highway Administration pursuant to the Bus Regulatory Reform Act of 1982, P.L. 97-261, specifying the route and certifying that public convenience and necessity require the operation of a motor bus or motor buses over such route. Such certificate shall be issued only after written application for the same has been made. Upon receipt of such application, said department shall promptly give written notice of the pendency of such application to the mayor of each city, the warden of each borough or the first selectman of each town in or through which the applicant desires to operate, and to any common carrier operating over any portion of such route or over a route substantially parallel thereto. Any town, city or borough within which, or between which and any other town, city or borough in this state, any such common carrier is furnishing service may bring a written petition to the department in respect to routes, fares, speed, schedules, continuity of service and the convenience and safety of passengers and the public. Thereupon the department may fix a time and place for a hearing upon such petition and mail notice thereof to the parties in interest at least one week prior to such hearing. No such certificate shall be sold or transferred until the department, upon written application to it, setting forth the purpose, terms and conditions thereof and after investigation, approves the same. The application shall be accompanied by a fee of one hundred seventy-six dollars. The department may amend or, for sufficient cause shown, may suspend or revoke any such certificate. The department may impose a civil penalty on any person or any officer of any association, limited liability company or corporation who violates any provision of any regulation adopted under section 13b-86 with respect to routes, fares, speed, schedules, continuity of service or the convenience and safety of passengers and the public, in an amount not to exceed one hundred dollars per day for each violation. The owner or operator of every motor bus shall display in a conspicuous place therein a memorandum of such certificate. Notwithstanding any provision of chapter 285, such certificate shall include authority to transport baggage, express, mail and newspapers for hire in the same vehicle with passengers under such regulations as the department may prescribe. Any certificate issued pursuant to this section by the Division of Public Utility Control within the Department of Business Regulation prior to October 1, 1979, shall remain valid unless suspended or revoked by the Department of Transportation.