

Congress of the United States

Washington, DC 20515

July 22, 2021

Hon. Nuria Fernandez
Administrator, Federal Transit Administration
1200 New Jersey Avenue SE
Washington, DC 20590

Dear Administrator Fernandez:

In the midst of a global pandemic, New York is attempting to buck long-standing conventional fund-sharing standards to short change its neighboring states. Since the outset of the COVID-19 pandemic, Congress has acted three times to appropriate emergency funding to transit agencies. Following the first of these allocations, New York, New Jersey, and Connecticut acted quickly to determine their respective shares of the federal investment according to Federal Transit Administration (FTA) guidance. Now, however, federal investment from the second and third rounds of assistance is held up because of New York's attempt to unilaterally implement a new fund-sharing standard to appropriate itself a larger share of federal resources, threatening hundreds of millions of dollars of transit assistance allocated by Congress for New Jersey and Connecticut.

We are requesting that the FTA reaffirm its current guidance regarding the sub-allocation of Urbanized Area Formula Program (UAFP) funds for metropolitan areas spanning multiple states. In particular, in light of a new and unilateral funding formula promoted by the New York Department of Transportation, we request that the FTA reaffirm its longstanding guidance regarding the sub-allocation of \$14.2 billion made available via the UAFP for the New York-Newark, NY-NJ-CT area. These resources are part of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act¹ and the American Rescue Plan (ARP) Act.²

The bipartisan Coronavirus Aid, Relief, and Economic Security (CARES) Act,³ enacted by Congress in March 2020, allocated \$22.7 billion to transit agencies to help to prevent, prepare for, and respond to the COVID-19 pandemic via the UAFP, including more than \$5.4 billion to the New York-Newark, NY-NJ-CT area. That funding was quickly apportioned by the three states using guidance from the FTA — the same guidance historically used by the three states on an annual basis to apportion federal funds. As the COVID-19 pandemic continued, Congress acted twice more to appropriate funding to the UAFP, including \$13.3 billion via the CRRSA Act and \$26.1 billion via the ARP Act. However, unlike the straightforward apportionment of the funding — based on historical precedent — that occurred following the CARES Act, New York now seeks to unilaterally change the traditional apportionment model.⁴ The resulting impasse must be resolved before additional critical funding can be delivered to our states.

Federal assistance has played a crucial role as transit agencies in the tri-state area have sought to weather the economic hit to the region caused by the pandemic. This investment has been utilized to ensure

¹ Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, Division M (2020).

² American Rescue Plan Act of 2021, Pub. L. No. 117-2 (2021).

³ CARES Act, Pub. L. No. 116-136 (2020).

⁴ Colleen Wilson, Why NY, NJ and CT are warring over how to split \$14B in transit aid (and it's been months) North Jersey Media Group (2021), <https://www.northjersey.com/story/news/transportation/2021/07/06/covid-relief-funds-nj-ny-ct-cares-act-transit-aid/7816298002/> (last visited Jul 7, 2021).


continued operation, enable essential workers to have reliable service, and guarantee service for senior citizens and persons with disabilities, among other uses. For NJ TRANSIT, in the current fiscal year, farebox revenue is projected to fall \$494.6 million year-over-year — a 66.9 percent decline. Sharply decreased ridership is to blame, with rail ridership down 80 percent and bus ridership cut in half since before the pandemic. While ridership may begin to rebound in Fiscal Year 2022, projected farebox revenue is anticipated to remain well below pre-pandemic levels. Given these shortfalls, and the lack of another dedicated stream of funding for NJ TRANSIT, federal transit assistance remains absolutely crucial for New Jersey residents to move about the region.⁵

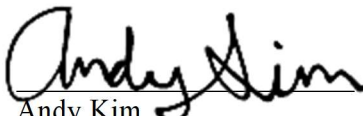
Over the course of the last six months, representatives of NJ TRANSIT and the Connecticut Department of Transportation have been in agreement that the same approach employed for CARES Act funding — allocation based on guidance from the FTA — should again be utilized for CRRSA Act and ARP Act funds. In contrast, the New York Department of Transportation has unilaterally devised a new method of apportionment for the funding, and has argued that this new formula should instead be utilized, against congressional intent. Under the specious formula pushed by the New York DOT, the state would receive significantly more funding than it would under the FTA guidance, costing New Jersey and Connecticut hundreds of millions of dollars in vital assistance. While no doubt true that the Metropolitan Transportation Authority (MTA) in New York has experienced significant pandemic-related hardship, so have the transit agencies of New Jersey and Connecticut. New York’s view of its own troubles is outrageous and shows a lack of awareness of the significant hardships experienced by neighboring states. As has been true since the outset of the pandemic, we are all in this together; now is not the time to throw aside that spirit of cooperation.

The ongoing impasse described here threatens the availability of much-needed transit agency funding and could force reductions in NJ TRANSIT service. In light of this controversy — and a rapidly approaching grant application deadline — we urge the FTA to reaffirm the traditional apportionment model and inform New York that its unilateral approach is unacceptable. By doing so, the FTA can resolve this controversy, thwart this overreach, and ensure critical federal assistance reaches transit agencies and their customers in a timely manner, consistent with congressional intent.


Sincerely,

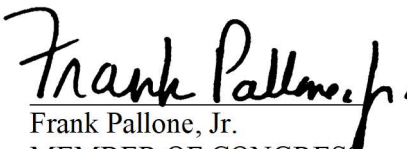

Josh Gottheimer
MEMBER OF CONGRESS


Bill Pascrell, Jr.
MEMBER OF CONGRESS

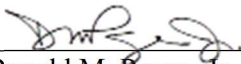

Andy Kim
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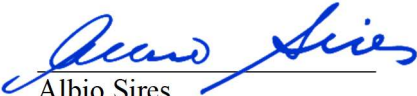

Tom Malinowski
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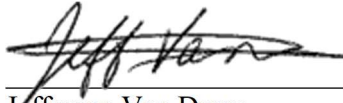

Donald Norcross
MEMBER OF CONGRESS


Frank Pallone, Jr.
MEMBER OF CONGRESS


⁵ Colleen Wilson, NJ Turnpike, federal funds expected to plug NJ Transit budgets, but will ridership return? North Jersey Media Group (2021), <https://www.northjersey.com/story/news/transportation/2021/03/11/nj-transit-nj-turnpike-funds-plug-budgets-ridership-wanes/6942933002/> (last visited Jul 8, 2021).

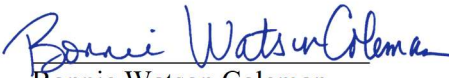

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CC: Hon. Pete Buttigieg
Secretary, U.S. Department of Transportation