



420 Watson Powell Jr. Parkway, Suite 200
Des Moines, Iowa 50309
Phone: 515.334.0075
Email: info@dmampo.org
www.dmampo.org

April 17, 2020

The Honorable Senator Chuck Grassley, U.S. Senate
The Honorable Senator Joni Ernst, U.S. Senate
The Honorable Representative Cynthia Axne, U.S. House of Representatives
The Honorable Secretary Elaine Chao, U.S. Department of Transportation

SUBJECT: COVID-19 IMPACT ON TRANSPORTATION FUNDING IN IOWA

Dear Senator Grassley, Senator Ernst, Rep. Axne, and Secretary Chao:

On behalf of the Des Moines Area Metropolitan Planning Organization (MPO), I write to thank you for your strong leadership during these unprecedented times, as well as to identified ways of mitigating the significant challenges caused by the COVID-19 pandemic in Iowa and across the country.

Like metropolitan planning organizations (MPOs) around the nation, the Des Moines Area MPO serves a critical role in the stewardship of Central Iowa's transportation network. We are closely monitoring and analyzing the impacts that the COVID-19 pandemic is having on the transportation system. Like you, we recognize that the 40 percent drop in travel by Iowans will greatly reduce the revenue generated by the state's excise tax on fuel. The Iowa Department of transportation (DOT) estimates that the Road Use Tax Fund will lose as much as \$35 million per month, which could lead to delays in roadway projects and negatively impact ongoing maintenance.

MPOs will also serve an important role in the economic recovery through the efficient and prioritized expenditure of infrastructure funds. However, as MPOs navigate these unprecedented circumstances, there are serious concerns over regulatory requirements and deadlines that could potentially lead to project delay among other challenges. Therefore, we are requesting that the Administration and the U.S. Department of Transportation provide much needed regulatory relief.

Specifically, we ask that you please consider the following actions:

- **We support AASHTO's request for a funding backstop because Iowa's need is urgent.** Based on the projected loss of \$35 million per month in Iowa's state road funding, Iowa DOT anticipates about two months before state, city, and county road projects must be delayed or stopped altogether. If a nationally comprehensive solution is not possible right away, providing at least a few months of backfill of state road funding losses by the middle of May will allow road and bridge construction projects in Iowa to continue in earnest. This need is urgent, leading us to request funding consideration in Phase 4 of any potential COVID-19 legislative responses. Additionally, we request these backfill funds to be essentially treated as state revenues that would otherwise have been collected for a wide range of activities without the COVID-19 pandemic. This broad funding eligibility would recognize the fact that state road funding is used for various transportation activities at state, city, and county levels across Iowa with immediate impact.
- **Include funding in any potential COVID-19 legislation for a new terminal for the Des Moines International Airport and increase the passenger facility charge.** The new terminal project currently has a \$200,000,000 shortfall in funding. The Des Moines International Airport terminal is beyond its useful life and needs to be updated to meet safety and travel demand needs. Additionally, increasing the Passenger Facility Charge (PFC) from its current \$4.50 per passenger to \$8.50 per passenger to fund airport improvements.
- **Include in the next phase of the STIMULUS legislation language for designation the US 5/65 Corridor (The Purple Heart Highway) as an interstate.** The Des Moines metro area is the only metro of its size without a ring interstate system. This provides an economic disadvantage on the south and east sides of the Des Moines Metro for development. Additionally, the legislation should provide a waiver for overweight vehicles to allow for grain elevator along the corridor to continue operations.
- **Utilize the Surface Transportation Block Grant Program (STBGP) (23 U.S.C. § 133) under the federal-aid highway program and public transportation program for stimulus spending. Distribute this funding using existing formulas and sub-allocation procedures under 23 U.S.C. § 133. Remove local match requirements** so federal funds can cover 100% of project costs.
- **Allow funds provided in a stimulus bill to be used as the local share funds for any program,** including Surface Transportation Block Grant Program, Congestion Mitigation and Air Quality, and Metropolitan Planning. Allowing new funds to be used to match other program funds will help to ensure swift project delivery.

- **Waive all restrictions under 49 U.S.C. § 5307 on the use of funds for operating expenses for the remainder of fiscal year 2020 and fiscal year 2021.** During this period, **allow federal funds to be used for 100 percent of project costs.**

In addition, working with our fellow stakeholder organizations the Des Moines Area MPO is advocating for the following legislative action:

- Develop guidance through the Federal Highway Administration, Federal Transit Administration, and other agencies to **liberally grant extensions to organizations for requirements** such as long-range transportation plan (LRTP) approvals, Unified Planning Work Program (UPWP), FTA triennial reviews, quadrennial certifications, invoice processing, and other relevant deadlines that occur during fiscal years 2020 and 2021.
- **Authorize the ability for administrative TIP and UPWP amendments.** This will allow the MPOs to add new studies, consulting work or data purchases and budget related to the COVID-19 pandemic as these costs may exceed 5% of the existing budget. In addition, allow for flexible carry-over of any unspent 2020 planning funds directly into the 2021 budget year.
- **Extend deadlines for discretionary grant programs,** including obligation deadlines, so recipients are not penalized with the loss of their grant due to an extended period of slowdown or stoppage of required work.]
- Develop guidance through FHWA and FTA to **provide maximum flexibility in regards to public involvement requirements,** allowing for distribution of materials on the internet or through other reasonable distribution methods, and allowing for gathering of comments electronically as sufficient under such requirements for the duration of the national state of emergency and until Federal, State, and local health officials agree that it is safe for public gatherings to recommence.
- **Ease lapsing requirements** if a State can demonstrate that an impact of the national emergency declaration is the proximate cause of the funding lapse.
- Provide **flexibility to states and MPOs to update required performance targets and set new targets** as appropriate to adequately reflect the anticipated conditions. Further, **allow for or automatically grant extensions of performance target setting deadlines** as appropriate, including the MPO CMAQ Performance Plan which is currently due on October 1, 2020.
- **Consider changes to procurement processes** that will be necessary if whole offices are teleworking, such as allowing for electronic signatures.

As the MPOs continue to navigate these uncertain times, it is of the utmost importance that there

is a clear national message as it relates to regulatory relief and guidance. We would greatly appreciate the U.S. DOT's leadership in this regard. As always, we would be glad to speak to you and your staff if we can answer any additional questions about COVID-19 impacts on transportation planning and funding.

Thank you again for your leadership during these challenging times.

Sincerely,



R. Todd Ashby
Executive Director

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