



Member Update

Overview of the Coronavirus Aid, Relief and Economic Security Act Transportation Industry Funding

On March 27, 2020 the U.S. House of Representatives passed the third phase of an economic stimulus package in response to the COVID-19 pandemic. The CARES Act provides over \$2 trillion in funding and includes approximately \$114 billion in federal aid for the transportation industry. Highlights include:

- The U.S. Department of Transportation will receive \$36.1 billion, the majority of which will go toward mass transit and airport grants. It also includes funding for the Federal Railroad Administration and Maritime Administration to be used for operations, safety, and training purposes. The remaining \$78 billion is directed toward grants and loans for aviation industry businesses.
- It also includes a provision that would allow appropriations from the Harbor Maintenance Trust Fund to be utilized for harbor dredging and maintenance needs without counting toward budget caps or ceilings. This section will take effect on January 1, 2021 or upon the enactment of the next Water Resources Development Act, whichever occurs first.
- The CARES Act provides states the authority to issue special permits suspending truck weight and size limits on interstates through September 30, 2020, as long as the President's disaster declaration is still in effect, for vehicles transporting emergency supplies.
- While no direct funding is provided to state Departments of Transportation, the bill provides a \$150 billion fund for general purpose fiscal relief for states, territories, and tribes. The funding will be apportioned based on population and can be used for any necessary expenditures incurred during the public health emergency. Some of this funding could potentially be allocated toward state DOTs and other transportation agencies.
- Additionally, the legislation provides \$349 billion for small business loans used for expenses such as payroll support, mortgage, rent, and utility payments. Generally, businesses with fewer than 500 employees are eligible as well as independent contractors. The bill also includes \$10 billion for emergency grants of up to \$10,000 for small business operating costs and \$17 billion to cover six months of payments for small businesses with certain existing Small Business Administration loans.
- Lastly, the legislation creates a new temporary federal program called Pandemic Unemployment Assistance. In general, PUA provides up to 39 weeks of unemployment benefits to individuals not eligible for regular unemployment compensation or extended benefits, including those who have exhausted all rights to such benefits. Individuals covered under PUA include the self-employed, e.g. independent contractors.

The majority of this third and largest economic stimulus package is intended to provide emergency relief to the public and funding for operational expenses to affected industries, including certain transportation sectors. This bill does not specifically address capital infrastructure expenditures, though experts believe Congress may introduce at least one additional stimulus package in the coming months which could focus more heavily on infrastructure investments.