



June 12, 2020

The Honorable Roger Wicker
Chairman
Commerce, Science & Transportation
United States Senate
Washington, DC 20510

The Honorable Maria Cantwell
Ranking Member
Commerce, Science & Transportation
United States Senate
Washington, DC 20510

Dear Chairman Wicker and Ranking Member Cantwell:

Thank you for inviting The Transportation Alliance (TTA) to submit comments to the U.S. Senate Committee on Commerce, Science, and Transportation regarding how our industry is responding to the COVID-19 pandemic. We appreciate this opportunity.

Established in 1917, The Transportation Alliance is a nonprofit trade association that represents private sector providers of ground transportation for-hire. We primarily provide mobility for passengers, but we also transport food and packages locally.

The ground transportation for-hire industry is made up of many market segments including taxicabs, liveries (sedan services), limousines, shuttles, school transportation, motorcoaches, paratransit and non-emergency medical transportation (NEMT) fleets. The general public routinely hires our services, as do corporations, social service agencies, cities, transit authorities, school districts, nursing homes, hospitals and many more entities. From a sedan to wheelchair accessible vehicles, we meet a wide variety of transportation needs: young school children, business travelers, passengers with disabilities requiring ADA accessible paratransit, NEMT passengers receiving life-saving chemotherapy and dialysis treatments, families traveling for vacation, elderly citizens going to the pharmacy for prescriptions, low-income Americans living in food deserts who need to get to the grocery store, and many more types of routine daily trips that are vital to our nation's ability to move people safely and efficiently.

The mobility we provide in moving approximately 2 billion passengers each year is exceptionally valuable to the passengers we serve. Yet it is equally vital to the medical centers, stores, restaurants, airports, and other entities that rely on us to transport their customers, as well to the producers of the vehicles, fuel, insurance, communications, and technology that produce the products we buy, and to the hundreds of thousands of workers earning a living in this industry. We are an integral component of the American economy.

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Our industry is facing very real crippling financial losses. With the Federal government and states recommending that Americans continue to severely restrict their movements, our industry anticipates further immediate economic losses. The ensuing loss of jobs will be keenly felt over the next few weeks. There is no time to lose in saving this vital aspect of American transportation.

The crisis threatens to shutter critical and essential public transportation operations forever. People in communities across the United States rely on our services for their jobs, medical needs, getting kids to school, and other daily activities that some may take for granted. We are asking you to work with us on specific and targeted financial relief that will help ensure our industry is able to recover and provide essential services to the public in the future.

Our members are reporting staggering loss projections of 85% now—precipitous declines that are expected to extend well into the months ahead. Without specific assistance from the federal government, many of these businesses will close forever. If that happens, the country will lose critical transportation infrastructure: the people, vehicles, call centers, maintenance facilities and services that keep America moving. We must ensure this industry survives for the future.

Responses to questions submitted to The Transportation Alliance from the U.S. Senate Committee on Commerce, Science, and Transportation

What impacts have you seen from COVID-19 on passenger transportation operations and how have you responded to these impacts?

Every market segment and every community is a different, but one can say that business has generally declined between 100% and 60%, with the average being about 85% in June.

Companies that focused on providing non-emergency medical transportation (NEMT) service to nursing homes virtually came to a total standstill—no business whatsoever. Other NEMT services, such as Medicaid-funded transportation for dialysis and chemotherapy continued, but overall NEMT trips were scaled back by about 75-100%. Nursing homes are still shut down to transportation, but in many states routine medical visits have started to open up. There have only been small incremental increases in transportation for patients reported so far. In order to avoid a surge in future emergency room visits, it is vital that patients be able to go to their routine medical appointments as soon as it is safe to do so.

Companies that specialize in providing services under contract to public entities (transit authorities, school districts, cities) saw different levels of decline based on the severity of the COVID-19 outbreaks in their communities. Some shut down entirely while others saw a 65% or more drop in business. Some school districts and transit authorities have helped their contractors with partial payments so the contractor can keep their personnel and equipment in place for when services ramp back up. There has been no significant increase in this business reported yet.

Taxicab and livery companies, like all other transportation providers, saw business drop over a cliff in March. Business typically fell 60% to 95%, depending on community. Many of these companies are diversified and also provide services under contract to public entities. Given their smaller vehicles (sedans and minivans) that provided safer individual transportation, they picked

up new or expanded work transporting medical personnel and patients. In states that are starting to reopen, we are receiving reports that some taxi and livery companies are experiencing up to a 20% increase in ridership compared to the prior 30 days.

Luxury transportation (executive sedans and limousines) and motorcoach fleets have been hard hit by the pandemic. Reductions in service of 80% to 100% are common. So far, only minimal increases in service demand have been reported, even in states that have begun to reopen.

What are your expectations for continued impacts on the passenger transportation system in the near future and its response to a reopening of the economy? What impacts do you anticipate for the passenger transportation system in the long term?

First, the entire for-hire ground transportation industry will take more than a year to recover, and even that timeline assumes states fully reopen soon and are able to stay open. Until people become mobile again—from business travel to tourism to schools reopening to leisure activities on weekends—the demand for passenger transportation will remain depressed. It could be many years before America's transportation sector regains its full strength in terms of staffing, vehicles in service, and ridership levels.

For NEMT providers, we believe service usage needs to increase to avoid a new and costly medical crisis with overrun emergency rooms. One cannot avoid medical treatments over a prolonged period without experiencing a surge in deaths and emergency room visits. In the longer term, it is possible that some medical treatments may become more home-based. As such, NEMT services will evolve to also transport equipment and/or personnel to facilitate this modified medical service delivery structure.

Contract services are likely to expand as states reopen. We believe the expansion will be very slow and may take many years to return to pre-pandemic levels. With the Centers for Disease Control (CDC) recommending the public avoid using public transit's larger vehicles, more use of smaller, safer vehicles providing community-based microtransit will continue to expand. In the long term, public transit should fully recover, because even if there is a major conversion from office-based work to telecommuting it is hard to imagine our infrastructure being able to support the huge expansion of single driver cars it would take if public transit doesn't recover in urban centers.

Taxicabs and liveries are poised for a stronger recovery if states can fully reopen and stay open. Much of this segment of our industry has diversified and, in addition to their traditional service, are also providing NEMT service as well as contract services to transit authorities, schools, medical centers, corporations and more. This wide array of revenue sources has enabled the industry to shift its service delivery to where it is most needed during the pandemic. This has included setting up special transportation services for infected persons, providing mobility for medical personnel to and from medical centers, and expanding services to include delivery of groceries, medicine, and food takeout orders from restaurants.

Luxury transportation and motorcoach services are likely to experience a slow recovery but here again, if states can fully reopen soon and stay open, then these services will rebuild their ridership. This market segment has numerous contracts in the private sector and has been

successfully expanding into public sector contracts. Still, until businesses and consumers start to travel in large numbers again, progress will be slow.

How have critical infrastructure employees been affected during the COVID-19 crisis while performing their duties, and what steps have been taken to protect them?

First, we need to report that most of our personnel are not currently working. They have been furloughed, laid off, unable to work because they don't have needed child care services, or feel they are at risk and choose not to work. This includes most of our drivers, and a large portion of our mechanics, call center, marketing and management staff.

For those who are working, much has changed very quickly to keep them safe. It begins with educating workers on the need for social distancing, the frequent washing of hands, the need to stay home if feeling ill and the need to repeatedly clean their workspaces.

Operational changes have also been made. In many of our industry's sedans and vans, plastic partitions have been installed between the driver in front and the passenger(s) in the back. Typically, the companies are providing masks, gloves, hand sanitizer and disinfected filled spray bottles and cleaning cloth for all drivers. Every vehicle is to be cleaned after every passenger departs the vehicle, and every vehicle is to be fogged at least once a day with a hospital-grade disinfectant. For those working in the office, the premises are cleaned/disinfected multiple times a day. Also, the workstations have been spread out as much as possible for social distancing, and where possible some workers are now able to work from home.

For those companies transporting COVID-19 infected persons, all of the above precautions are taken and, in addition, after every passenger is transported the vehicle is fogged. The drivers who volunteer to provide this service are well aware of the need to be vigilant at all times with the passenger and everything they may touch.

What steps has your organization or have your members taken to protect the safety of the traveling public?

The cleaning/disinfecting protocols implemented for drivers and vehicles go a long way to also protecting our passengers. In addition, we request that passengers also wear a mask, and when possible use contactless payments.

Our organization reached out to the U.S. Department of Health and Human Services asking for help in accessing personal protection equipment (PPE), as it has been difficult to access this protective gear, particularly at the beginning of the pandemic. Now the U.S. Department of Transportation (DOT) has made PPE available to public transit workers. We have reached out to DOT seeking its help in expanding the program to include private sector transportation workers.

This is an area where Congress can help. The DOT has created a program that is providing PPE's to some in the transportation industry. Currently, taxis and other private sector providers of public transportation are not included. We would like to ask Congress to request that DOT include our industry into this program. We are providing a critical service during this pandemic and our operators require this same PPE and a pipeline for these products in order to ensure safety.

What additional guidance or support would be useful from the U.S. Department of Transportation, other federal agencies, and from Congress as you move forward during the COVID-19 public health crisis?

Here is a brief summary of the legislative and regulatory issues The Transportation Alliance is currently addressing in response to the COVID-19 pandemic:

- 1) We were told early on not to expect industry grants. With that in mind, TTA drafted its own plan called the Small Business Jump-start America Act, a commonsense economic plan that has been received well by congressional leaders, the White House, numerous industries, and even some in the banking community. This Act would provide certain key small business that are vital to reopening America with the access to capital they need without leveraging their businesses or their future. The Small Business Jump-start America Act is now supported by over 310,000 small businesses representing over 8 million jobs in 41 states. (More information on this proposal is attached.)
- 2) Providing temporary and targeted liability relief legislation related to the COVID-19 pandemic. These crucial protections should safeguard businesses, nonprofit organizations and educational institutions, as well as healthcare providers and facilities from unfair lawsuits so that they can continue to contribute to a safe and effective recovery from this pandemic.
- 3) Our industry has been on the front lines supporting hospital personnel by taking them to and from work at all hours of the day. Our industry continues to take some of the most vulnerable populations to and from critical medical appointments. Our operators have stepped up and now deliver life-saving medications and meals to those sheltered in place. We would like to ask that during national emergencies or pandemics like COVID-19 that a new category be created for National Responders, which would then allow them to be eligible for hazard pay.
- 4) TTA is currently working with HHS on a solution to help provide TTA members with a pipeline to personal protection equipment (PPE) going forward. We have also recently reached out to the U.S. Department of Transportation (DOT) on this matter. This is critical. This is another area in which we need immediate help. We need DOT and other agencies to help us create a pipeline for these products. CDC has come out with strict rules, which we support, but without access to the needed PPE we will continue to see more businesses close, leaving passengers without safe transportation.
- 5) The U.S. House of Representatives passed the HEROES Act, which included a provision that codified our association's suggested language on non-emergency medical transportation (NEMT). This is an important step in barring the U.S. Department of Health and Human Services (HHS) from implementing rules that would allow states to opt-out of providing NEMT services. This provision is critical to ensuring those who need our help the most have access to transportation. The NEMT program saves the government money and we would urge the Committee to include the House bi-partisan language in the next stimulus bill.

- 6) TTA has reached out to the U.S. Department of Education asking it to issue guidance on Section 18006 of the CARES Act regarding the requirement that, “A local educational agency, State, institution of higher education, or other entity that receives funds under ‘Education Stabilization Fund’, shall to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus.” Many of our members have received support through this program while other school districts have disregarded this provision of the CARES Act. Schools have been given money to help support their needs during this pandemic. That money should be used as Congress intended. To do this, we must define the phrase “*to the greatest extent practicable*.” We are seeing school systems cancel contracts with our members under this vague wording. That was not the intent of Congress and we would like to work with you and Secretary DeVos on strengthening this language so that schools have the same obligations as other businesses to keep as many people as possible working during this pandemic.
- 7) We were very pleased that, within a matter of days of our request in March, the U.S. Department of Homeland Security included our industry as essential services, a key designation to keep transportation companies on the road in the face of widespread, mandatory business closures across the country.
- 8) Numerous TTA members have qualified for Paycheck Protection Program (PPP) loans, an effort that involved daily, and sometimes hourly, updates to our membership. We also recently worked with key House and Senate leaders on modifications to the PPP loan program, which extends the period in which companies need to use the loans to 24 weeks. We also pushed hard to successfully change the rules in how companies can use those funds: Under new legislation, companies can now spend up to 40% of PPP loans on utilities.
- 9) We have been working with Congress and the insurance industry on a solution to the problem that vehicles that are no longer in service cannot return their tags in 11 states where the state Department of Motor Vehicles is closed. The inability to return to tags has meant that some companies have been unable to take their vehicles off their insurance. We still need help getting final resolution on this issue. We are essentially having to pay premiums for vehicles no longer in service. Several states have required insurance companies to refund premiums to drivers, but those don’t cover our vehicles. We believe they should.
- 10) Modifying Section 3719 of the CARES Act to allow NEMT operators to receive advance payments from Medicare and/or Medicaid.
- 11) Requiring all government accounts with ground transportation companies to be paid within five days of billing.
- 12) Requiring the General Services Administration to offer government surplus vehicles at cost to passenger ground transportation companies serving economically disadvantaged communities.

Please describe any ways that you or your members have been affected by the CARES Act and how it has affected your employees, operations, or other aspects of your business.

We should note that the Payroll Protection Program (PPP) has been very valuable to our industry, particularly after the time allowed for its utilization was extended to 24 weeks. While the program is not perfect, it was put in place and the funds started to flow remarkably quickly. Our industry is grateful for the help that was extended. We hope that more help is forthcoming with similar speed.

The program that has been counterproductive to getting our labor force to come back to work is the federal Pandemic Unemployment Assistance program that provides unemployed workers an additional \$600 per week in unemployment benefits. While we fully understand and appreciate the reason for these benefits, one of the unintended consequences is that it is now serving to slow down our industry's recovery.

In closing, we thank you for reaching out to The Transportation Alliance and seeking our input as the Senate Committee on Commerce, Science, and Transportation evaluates how to best move forward in responding to the COVID-19 pandemic. We hope our responses are helpful. Should you have any questions moving forward, please contact us. We stand ready to assist you in this vital effort as we all work together to get America moving again.

TTA's office is located in Rockville, Maryland (a close-in suburb to Washington, DC.) and is still required to be closed. The best way to reach us is by email to our CEO Alfred LaGasse at alagasse@TheTransportationAlliance.org. TTA staff is working at full capacity, albeit from their homes, and will respond to your outreach or questions without delay.

Sincerely,



Thomas P. Arrighi
President
The Transportation Alliance



The Small Business Jump-start America Act

Partnership with Small Businesses to Invest in
Jobs, the Economy, and American Supply Chain

5/26/20

The Small Business Jump-start America Act provides low-interest loans capped at \$10 million per company to small businesses that are critical to the supply chain and immediate reopening of the economy. This plan focuses on critical sectors like manufacturers, resellers, defense industrial base, healthcare, financial services, construction, and transportation providers.

Highlights of the Small Business Jump-start America Act:

- Provides \$500 billion in total loans
- Each company loan capped at \$10 million
- Businesses would need to be less than 1,500 employees with revenues under \$40 million
- Loans would be reserved for companies involved in:
 - Manufacturing
 - Resellers
 - Critical ground, air, marine transportation companies, non-emergency medical transportation providers
 - Healthcare
 - Financial services
 - Defense industrial base
 - Chemical/cleaning products
 - Construction
- Only businesses in operation the past seven years with proven track record of profit in last three years will be considered
- Loan repayment would start after three years, and must be repaid in full within 7.5 years
- Loan rate would be 2.75%

The Small Business Jump-start America Act is supported by small businesses and trade associations representing over 310,000 companies and employing 8 million workers across the United States. These industries have the workers and the proven track record. The US government has the investment capital. Together, we can get America back on its feet.

Please support the Small Business Jump-start America Act today.

Any questions, please contact: Paul Miller
Legislative Counsel to The Transportation Alliance
Small Business Jump-start America Coalition
pmiller@mwcapitol.com and (703) 383-1330



[DISCUSSION DRAFT]

116TH CONGRESS
2D SESSION

H. R. _____

To require the Board of Governors of the Federal Reserve System to carry out a loan guarantee program for loans made to eligible small businesses that are critical to restarting the economy, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. KEVIN HERN of Oklahoma introduced the following bill; which was referred to the Committee on _____

A BILL

To require the Board of Governors of the Federal Reserve System to carry out a loan guarantee program for loans made to eligible small businesses that are critical to restarting the economy, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Jump-
5 Start America Act”.

1 **SEC. 2. LOAN GUARANTEES FOR ELIGIBLE SMALL BUSI-**
2 **NESS LOANS.**

3 (a) IN GENERAL.—The Board of Governors of the
4 Federal Reserve System shall, during the period beginning
5 July 1, 2020, and ending December 31, 2020, guarantee
6 covered loans provided to eligible small businesses.

7 (b) PRIORITIZATION.—In guaranteeing covered loans
8 under subsection (a), the Board of Governors shall—

9 (1) prioritize covered loans made to eligible
10 small businesses that the Board of Governors has
11 identified as—

12 (A) critical to restarting the economy; and

13 (B) small businesses that are essential to
14 manufacturing, key product resellers, and serv-
15 ices like ground, air, and marine transportation
16 that are critical to moving people and supply
17 chains; and

18 (2) ensure such guarantees are balanced among
19 core industries.

20 (c) FUNDING.—There is appropriated to the Board
21 of Governors, out of funds in the Treasury not otherwise
22 appropriated, \$500,000,000,000 to carry out this section.

23 (d) DEFINITIONS.—In this section:

24 (1) COVERED LOAN.—The term “covered loan”
25 means a loan—

26 (A) that does not exceed \$10,000,000;

1 (B) the does not require collateral;

2 (C) that requires repayment to begin 3
3 years after the loan is made;

4 (D) with a repayment period of 7.5 years;
5 and

6 (E) with a rate of interest of 2.75 percent.

7 (2) ELIGIBLE SMALL BUSINESS.—The term “el-
8 igible small business” means a business—

9 (A) with—

10 (i) no more than 1,500 employees; or

11 (ii) an annual revenue of no more
12 than \$40,000,000;

13 (B) based in the United States and owned
14 by United States persons;

15 (C) that was in business for at least seven
16 years prior to March 13, 2020; and

17 (D) operating in the sectors of—

18 (i) manufacturing;

19 (ii) resellers;

20 (iii) critical ground, air, marine trans-
21 portation companies and non-emergency
22 medical transportation providers;

23 (iv) healthcare;

24 (v) financial services;

25 (vi) defense industrial base;

- 1 (vii) chemical products;
- 2 (viii) hygiene products;
- 3 (ix) energy; or
- 4 (x) construction, architecture, engi-
- 5 neering, project management, surveying,
- 6 and mapping.