



Metro

Board Report

File #: 2020-0481, File Type: Federal Legislation / State Legislation (Position)

Agenda Number: 38.

**EXECUTIVE MANAGEMENT COMMITTEE
AUGUST 20, 2020**

SUBJECT: FEDERAL LEGISLATION

ACTION: ADOPT STAFF RECOMMENDED POSITION

RECOMMENDATION

ADOPT staff recommended positions:

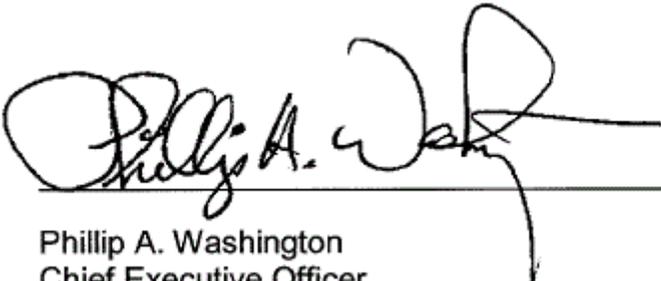
- A. House Resolution 7389 (Pressley) - A bill to institute a federal grant program to support efforts to provide fare-free transit service. **SUPPORT**

ATTACHMENT

Attachment A - H.R. 7389 (Pressley) Legislative Analysis

Prepared by: Raffi Hamparian, Senior Director, Government Relations
(213) 922-3769

Reviewed by: Yvette Rapose, Chief Communications Officer, (213) 418-3154



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

BILL: H.R. 7389

AUTHOR: CONGRESSWOMAN AYANNA PRESSLEY (D-MA)

SUBJECT: FREEDOM TO MOVE ACT

STATUS: REFERRED TO THE HOUSE COMMITTEE ON
TRANSPORTATION AND INFRASTRUCTURE, SUBCOMMITTEE
ON HIGHWAYS AND TRANSIT

ACTION: SUPPORT

RECOMMENDATION

Staff recommends that the Board of Directors adopt a SUPPORT position on House Resolution 7389, The Freedom To Move Act.

ISSUE

House Resolution 7389, which was introduced on June 26, 2020 by Congresswoman Ayanna Pressley (D-MA), would establish a \$5 billion competitive grant program to offset fare revenues for transit agencies across the United States in order to promote fare-free public transit systems.

DISCUSSION

Metro has one of the lowest transit fares among major transit agencies across the United States. Metro's fares are lower than New York's MTA, Chicago's CTA, Philadelphia's SEPTA, San Francisco's MUNI, Portland's TRIMET and Atlanta's MARTA. According to the American Public Transportation Association's 2019 Fact Book, the average Bus fare across the United States is \$1.67, the average Light Rail fare is \$2.09, and the average Heavy Rail fare is \$2.25. At present, the fare to ride a Metro bus or on Metro's rail network is set at \$1.75 – which generates approximately \$285 million in annual revenue or approximately 4% of our agency's annual budget.

Given the fact that 57% of Metro's bus riders (according to recent customer surveys) live below the poverty line and have a median income of \$17,975, any federal program that would provide financial relief would be of great interest to our agency. Likewise, 38% of Metro's rail riders (according to recent customer surveys) live below the poverty line and have a median income of \$27,723. Given these facts, our agency naturally has a high level of interest in The Freedom To Move Act.

The Freedom To Move Act's main policy aim would be to establish a \$5 billion competitive grant program to offset fare revenues for transit agencies across the United States that choose to implement a fare-free transit system. The grants, which would be referred to as Freedom to Move Grants, could be used to cover operational costs, improve the safety and accessibility of bus stops, pedestrian and bike shelters, used to redesign bus routes, modernize signal priority systems, among other eligible costs. The bill also stipulates that "grantees would be required to work in partnership with community advocates and stakeholders to report on how resources will be used to improve the reliability of transit service for low-income and historically underserved communities including ways the grantee will improve connectivity to critical services and reduce commute times."

Should The Freedom To Move Act become law, our agency would be well positioned to secure the competitive Freedom to Move Grants to offset fare revenue we might potentially forgo if our agency were to adopt, in whole or in part, a free-fare program. In addition, the provisions in this bill could also inform and potentially support the future findings of the Comprehensive Pricing Study (CPS) that our agency has launched to explore how Metro prices its services, including transit fares.

DETERMINATION OF SAFETY IMPACT

The enactment of the proposed legislation would not have a safety impact.

FINANCIAL IMPACT

This legislation could potentially dramatically increase the level of federal grant funding received by our agency through Freedom to Move Grants authorized under this bill.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Staff recommendation supports strategic plan goal # 4.2: Metro will help drive mobility agendas, discussions and policies at the state, regional and national levels.

ALTERNATIVES CONSIDERED

Staff has considered not adopting a position on this bill. Adopting a SUPPORT position on this bill would be beneficial to our agency – provided we compete for the competitive Freedom to Move Grants authorized by this legislation.

NEXT STEPS

Should the Board adopt a SUPPORT position on this measure, staff will communicate the Board's position to the author and work with Congress to ensure its adoption into law. Staff will continue to keep the Board informed as this issue is addressed throughout the 116th Congress.