

Department of Transportation

**Coronavirus Aid, Relief, and Economic Security
(CARES Act) P.L. 116-136**

Plan on the Use of Covered Funds

Submitted to the Pandemic Response Accountability Committee
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Table of Contents

FAA Grants-in-Aid to Airports.....	1
FAA Operations.....	4
FMCSA Operations and Programs.....	6
FTA Transit Supplemental Grants.....	8
FRA Safety and Operations.....	11
FRA Northeast Corridor Grants to the National Railroad Passenger Corporation.....	13
FRA National Network Grants to the National Railroad Passenger Corporation.....	15
MARAD Operations.....	17
MARAD State Maritime Academies.....	19
OST Salaries and Expenses.....	21
OST Essential Air Service.....	23
Inspector General Salaries and Expenses.....	25

**Federal Aviation Administration (FAA)
Grants-in-Aid for Airports
CARES Act Airport Grants Program**

CARES Act Appropriation of Covered Funds:

Grants-in-Aid for Airports	FY 2020 Base Appropriation	CARES Act
Grants	\$3,169,276,000	\$9,990,000,000
Contracts	\$64,224,000	\$0
Admin Oversight	\$116,500,000	\$10,000,000
Total	\$3,350,000,000	\$10,000,000,000

Period of Availability of Funds:

Funds are available until expended.

Administratively, each CARES Act grant under this program has a four-year period of performance. Establishing a period of performance allows for timely use of funds and efficient grant management.

Type of Program:

Formula Grants. The CARES Act created a Grants-in-Aid for Airports program, known as the CARES Act Airport Grants Program, with funding allocated to approximately 3,300 airports by formula.

- Federal share for 2020 Airport Improvement Program (AIP) Grants. At least \$500 million is available to increase the Federal share to 100 percent for grants awarded under the FY 2020 appropriations cycle for FY 2020 AIP and FY 2020 Supplemental Discretionary grants.
- Commercial Service Airports. At least \$7.4 billion is available to Commercial Service Airports for any purpose for which airport revenues may lawfully be used. The funds are allocated based on a formula in the CARES Act.
- Primary Airports. Up to \$2 billion is available to large, medium, and small hub airports and non-hub primary airports for any purpose for which airport revenues may be lawfully used. These funds are allocated based upon statutory AIP primary entitlement formulas.
- General Aviation Airports. At least \$100 million is available to general aviation airports for any purpose for which airport revenues may be lawfully used. These funds are allocated based on the categories published in the most current National Plan of Integrated Airport Systems (NPIAS), reflecting the percentage of the aggregate published eligible development costs for each such category, and then dividing the allocated funds evenly among the eligible airports in each category, rounded up to the nearest thousand dollars.

Purpose of Funding:

\$10 billion is provided to prevent, prepare for, and respond to the COVID-19 public health emergency. Within this amount, as much as \$9.5 billion is for grants to approximately 3,300 airports nationwide and in U.S. Territories to use for any purpose for which it may lawfully use

airport revenues, including payroll, debt service, utilities, operations and capital improvements.

Not less than \$500 million of these funds is to increase the Federal share on all Airport Improvement Program (AIP) grants and Supplemental discretionary grants appropriated in FY 2020 to 100 percent.

Intended outcomes of the CARES Act program:

The CARES Act Airport Grants Program helps keep airports in reliable, safe operation to serve the aviation industry, the travelling public, and support the economy.

Each of the largest commercial service airports that accept CARES Act Airport Grants Program funds must retain 90 percent of its employed staff as of March 27, 2020, on its payroll until December 31, 2020.

Program process or design changes needed to execute CARES Act programs:

FAA's Office of Airports has created a new Grants-in-Aid for Airports program to achieve CARES Act goals, by:

- Adapting new CARES Act statutory formula funding criteria into program implementation guidelines.
- Drafting new grant agreement contracts with airport owners.
- Coordinating with the FAA Budget Office to appropriately track grant funds.
- Enhancing FAA's Office of Airports grants management database to implement the CARES Act Airport Grants Program.
- Agreeing with ten state partners to assist in administering the CARES Act Airport Grants program for general aviation airports in those respective block-grant states.
- Tracking CARES Act workforce retention requirements for each small, medium, and large hub airport that must report workforce data on June 30, 2020, September 30, 2020, and December 31, 2020.
- Training staff to review and approve CARES Act Airport Grant reimbursement requests, considering that eligible costs significantly differ from AIP.

Key risk areas:

- Some airports, including tribal communities, may not have sufficient personnel to address the public health emergency locally and to apply, accept, and implement a CARES Act Airport Grant.
- FAA's longstanding AIP program funds airport capital projects and may not be used for airport operating and maintenance costs. The CARES Act expanded eligibility to cover airports' operating expenses. Because FAA is generally unfamiliar with the nature of airport operating expenses, the agency does not have established grant standards for operating expenses, and therefore, FAA and its grantees must make unique judgements about eligible costs. This process could delay FAA's approval of drawdowns.
- The CARES Act statutory formula funding criteria for one portion of the funding gives a small number of airports relatively large amounts, which creates risk that not all funds will be allocated and used efficiently. In response, FAA has developed implementation guidelines to minimize disparities in initial grants. It has put in place a requirement to consult further with

FAA on airport plans for a timely and proper expenditure of allocated amounts.

- To mitigate these risks, the FAA is reviewing invoices manually to ensure compliance with new eligibility criteria. To handle the emergency nature of the funding and the significantly increased workload, the FAA is hiring limited, additional personnel and contract support to work on the CARES Act Airport Grants Program.

Additional steps to ensure the integrity of these payments, reduce burden on recipients, and promote operational efficiency, to the extent that relief fund programs overlap among common recipients:

To reduce the burden of applying for and receiving CARES Act Airport Grants, FAA had grantees follow well-established grant application processes. FAA used the same application for CARES Act Airport grants as it uses for traditional AIP grants. FAA employed the same grant management database for the CARES Act Airport Grants Program and AIP. CARES Act Airport Grants recipients request drawdowns of funds through DOT's financial system (Delphi), similar to grantee requests for traditional AIP funds.

To further reduce the burden on CARES Act Airport grant recipients and promote operational efficiency, the FAA is offering grants agreement documents that the FAA and recipients can digitally sign and transmit.

**Federal Aviation Administration (FAA)
Operations Account**

CARES Act Appropriation of Covered Funds:

Operations	FY 2020 Base Appropriation	CARES Act
Grants		
Contracts		
Admin Oversight	\$10,630,000,000	\$25,000,000
Total	\$10,630,000,000	\$25,000,000

Period of Availability of Funds:

Funds are available until expended.

Type of Program:

FAA Operations funding

Purpose of Funding:

Allows for up to \$25 million of previously appropriated emergency funding in the FAA’s Operations account to be used to “prevent, prepare for, and respond to coronavirus.”

Funding will be used for FAA operational costs such as facility cleaning and infrastructure improvements associated with prevention, preparation, and response to COVID-19.

Intended outcomes of the CARES Act program:

FAA facilities and installations, including those critical to air traffic control functions, are cleaned and sanitized regularly and especially after positive exposures occur.

Personal Protective Equipment (PPE) are purchased for use by FAA employees and contractors working in critical FAA facilities.

Upgrades and improvements are made to FAA facilities and other infrastructure to minimize personal contact and exposure as well as enhance workplace safety.

Program process or design changes needed to execute CARES Act programs:

N/A

Key risk areas:

Risk of improper payments is low, as most activities like facility cleaning or infrastructure upgrades are funded through existing contracts.

Additional steps to ensure the integrity of these payments, reduce burden on recipients, and promote operational efficiency, to the extent that relief fund programs overlap among common recipients:

FAA utilizes existing acquisition and fiscal policy controls.

FAA established a unique fund code and a project code to monitor expenses, instituted weekly reporting on anticipated expenses, and created financial reports to monitor obligations and outlays.

**Federal Motor Carrier Safety Administration (FMCSA)
Motor Carrier Safety Operations and Programs**

CARES Act Appropriation of Covered Funds:

Operations and Programs	FY 2020 Base Appropriation	CARES Act
Grants	\$0	\$0
Contracts	\$132,500,000	\$100,000
Admin Oversight	\$155,500,000	\$50,000
Total	\$288,000,000	\$150,000

Period of Availability of Funds:

The contract authority and liquidating cash are available until expended, but due to an annual limitation of obligations the period to obligate funds is limited to FY 2020.

Type of Program:

Operating expenses.

Purpose of Funding:

Per the CARES Act, funding is made available to “support activities to prevent, prepare for, and respond to coronavirus.” FMCSA will use the funds for overtime to support IT as employees prepare to telework for an extended period. Funds will be used to incorporate social distancing measures for field offices’ controlled entrances, to clean field facilities to enhanced standards, and to purchase personal protective equipment (PPE), particularly for employees in field offices and at border facilities.

Intended outcomes of the CARES Act program:

Protection of our employees and continuation of FMCSA’s safety oversight function.

Program process or design changes needed to execute CARES Act programs:

N/A

Key risk areas:

One risk is the delivery and availability of PPE for essential personnel, given supply-chain challenges observed throughout the country. FMCSA will mitigate the risk of non-delivery by engaging multiple potential vendors and exploring both micro-purchase and contract mechanisms.

Additional steps to ensure the integrity of these payments, reduce burden on recipients, and promote operational efficiency, to the extent that relief fund programs overlap among common recipients:

FMCSA will continue to adhere to good payment practices already in place. In the FMCSA 2019 Statement of Assurance, the Administrator certified that our purchase card provided reasonable assurance that appropriate policies and controls are in place to mitigate the risk of fraud, inappropriate charge card purchases and that FMCSA adheres to the requirements of OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, Appendix B and C.

**Federal Transit Administration (FTA)
Transit Infrastructure Grants**

CARES Act Appropriation of Covered Funds:

Transit Infrastructure Grants	FY 2020 Base Appropriation	CARES Act
Grants	\$8,683,370,147	\$24,925,000,000
Contracts	\$0	\$0
Admin/Oversight	\$67,175,376	\$75,000,000
Total	\$8,750,545,523	\$25,000,000,000

Period of Availability of Funds:

Funds are available until expended.

Type of Program:

Formula grants to approximately 1,000 transit agencies nationwide. The CARES Act allocates funding through the following existing FTA programs:

- Urbanized Area Formula Program (49 U.S.C. 5307): \$22.7 billion
- Formula Grants for Rural Areas (49 U.S.C. 5311): \$2.2 billion, including \$30 million for FTA’s Tribal Transit formula program and \$20 million for the Appalachian Development Assistance program

Purpose of Funding:

The CARES Act provides \$25 billion to enable the transit industry to prevent, prepare for, and respond to the COVID-19 public health emergency.

The base programs identified above are generally available for grantees’ planning, capital investment, and maintenance costs. The CARES Act funding is expanded to also cover operating expenses for all recipients, including grantees in large urbanized areas. Operating expenses incurred by grantees beginning January 20, 2020 may be reimbursed. Examples of eligible costs include:

- Administrative leave of operations personnel due to reductions in service or quarantine.
- Paratransit service.
- Costs necessary to operate, maintain, and manage a public transportation system.
- Driver salaries, fuel, and items having a useful life of less than one year, including personal protective equipment and cleaning supplies.

Intended outcomes of the CARES Act program:

The CARES Act funds are intended to help respond to and mitigate negative impacts of the COVID-19 public health emergency on transit systems, transit ridership, and the broader economy. The following are outcomes resulting from transit system use of CARES Act funding provided by FTA:

- Reduce the need for transit systems to eliminate services and cut service hours or frequencies.
- Reduce the need for transit agencies to cut transit employee work hours and implement layoffs.
- Improve the capacity of transit systems to meet health guidelines for increased cleaning and sanitizing of transit vehicles and stations (intended to reduce the spread of COVID-19 among transit workers and passengers).
- Increase the capacity of transit systems to purchase personal protective equipment (PPE) for transit workers (intended to reduce the spread of COVID-19 among transit workers).
- Increase the ability of transit systems to meet social distancing guidelines by operating at reduced vehicle capacity (intended to reduce the spread of COVID-19 among transit workers and the riding public).

Program process or design changes needed to execute CARES Act programs:

- FTA relied on existing processes to award CARES Act grants and provide drawdowns to grantees, as the legislation was written to use existing programs and procedures.
- Many program requirements and conditions on FTA's base programs do not apply to CARES Act funding, including prohibitions on the use of funds for operating expenses. FTA has issued extensive program guidance to grantees detailing these updates.
- FTA's grants oversight procedures will be updated as well to reflect new eligibilities.

Key risk areas:

Risk Name	Risk Statement	Mitigation Strategy
1. Improper Payments	CARES Act funding has tripled FTA’s budget and increased the amount of FTA funding used for operating assistance by an even greater amount. It also increased the Federal share to 100 percent for both Operating and Capital expenses. These changes potentially increase exposure for improper payments.	FTA has a very low improper payment rate on its existing portfolio of grant programs and has a robust internal control and oversight program in place. FTA will dedicate additional staff to overseeing grantees and grants close out.
2. Insufficient staffing for increased workload.	FTA might be challenged to grow to manage and oversee requirements for CARES Act funds and complete regular program activities.	The \$25 billion in CARES Act funds received by FTA included \$75 million in administrative/oversight funds. FTA is hiring up to 25 additional employees and/or fund overtime requests for current employees, depending on the oversight requirements. New hires include budget, HR, audit grants management, and program oversight staff.
3. Duplication of Benefits	Transit agencies potentially could seek and be reimbursed for the same activities from multiple Federal funding streams for certain expenses such as personal protective equipment from FEMA.	Given CARES Act FTA funds have a 100 percent Federal cost share, recipients will likely seek funding directly from FTA rather than from FEMA. FTA has included a special statement in each grant requiring the recipient to notify FTA if it receives Federal funding from (FEMA) or through a pass-through entity through the Robert T. Stafford Disaster Relief and Emergency Assistance Act, a different Federal agency, or insurance proceeds. If there is duplicate assistance, grantees must give written notification to FTA and reimburse FTA.

Additional steps to ensure the integrity of these payments, reduce burden on recipients, and promote operational efficiency, to the extent that relief fund programs overlap among common recipients:

The CARES Act grant payment process used by FTA is the same as the grant payment process used for other FTA programs and no changes are proposed at this time. FTA grantees are familiar with the payment process, receive payments in 24-48 hours, and no additional administrative burden is imposed for CARES Act payments.

**Federal Railroad Administration (FRA)
Safety and Operations**

CARES Act Appropriation of Covered Funds:

Safety and Operations	FY 2020 Base Appropriation	CARES Act
Grants	\$2,000,000	\$0
Contracts	\$54,859,000	\$129,991
Admin Oversight	\$167,339,000	\$120,009
Total	\$224,198,000	\$250,000

Period of Availability of Funds:

Funds are available through 9/30/2021.

Type of Program:

Operating costs including cost of new equipment such as portable/autonomous track inspection devices, radio scanners, radar guns, track inspection kits, and motive power and equipment inspection kits.

Purpose of Funding:

To prevent, prepare for, and respond to the COVID-19 public health emergency, including to purchase equipment for FRA’s railroad safety inspectors.

Intended outcomes of the CARES Act program:

New equipment will facilitate continued safety oversight of railroad operations, infrastructure, and rolling stock. It will enable qualified FRA staff to conduct inspections across multiple railroad safety disciplines, as well as to reduce unnecessary travel and potential exposure to coronavirus. The ability for a single inspector to perform inspections in multiple disciplines will increase the flexibility of the field staff and help minimize their exposure to face to face interactions.

Program process or design changes needed to execute CARES Act programs:

None.

Key risk areas:

There is a risk that FRA inspectors may not be able to fully realize the benefits of the equipment because of the challenges associated with reaching field locations. FRA staff travel requiring airline flights has been almost non-existent due to COVID-19 concerns and reduced flight availability. Many hotels, restaurants, and other establishments have been closed to this point.

FRA has encouraged inspectors to use their judgment on travel requiring overnight lodging and meals. In lieu of flying, inspectors can drive their government vehicles to inspection sites, often driving longer distances than normal, conducting inspections, and then returning to their residences. Inspections that require close contact with railroad employees (such as joint testing

sessions and train ride inspections) have decreased.

Additional steps to ensure the integrity of these payments, reduce burden on recipients, and promote operational efficiency, to the extent that relief fund programs overlap among common recipients:

FRA created designated Disaster Emergency Fund Codes to track and monitor COVID-19-related funding.

**Federal Railroad Administration (FRA)
Northeast Corridor Grants to the
National Railroad Passenger Corporation (Amtrak)**

CARES Act Appropriation of Covered Funds:

NEC Grants	FY 2020 Base Appropriation	CARES Act
Grants	\$696,500,000	\$492,000,000
Contracts	\$0	\$0
Admin Oversight	\$3,500,000	\$0
Total	\$700,000,000	\$492,000,000

Period of Availability of Funds:

Funds are available until expended.

Type of Program:

Directed grant.

Purpose of Funding:

The funding is provided to amend the Northeast Corridor Grant to Amtrak to prevent, prepare for, and respond to coronavirus.

FRA provides grants annually for Amtrak’s Northeast Corridor (NEC) -- DC-New York-Boston -- which Amtrak has traditionally used for capital investment projects for this part of the railroad. Due to the pandemic, Amtrak NEC ridership and ticket revenue have dropped significantly, creating a hole in Amtrak’s annual operating budget. The CARES Act funding is primarily meant to fill this budget gap.

Amtrak must provide a weekly report to FRA on the number of furloughed employees, and FRA must report to Congress.

Intended outcomes of the CARES Act program:

CARES Act funding supplements the existing FY 2020 FRA grant to offset FY 2020 revenue losses and cost increases due to COVID-19.

Amtrak will be able to continue operations and continue investing to maintain its infrastructure and reduce its state of good repair backlog.

Program process or design changes needed to execute CARES Act programs:

None

Key risk areas:

There are no unique risks related to the successful use of these funds. DOT holds monthly meetings with Amtrak to review financials and operational performance, with additional emphasis on COVID-19-related spending and cash availability.

Additional steps to ensure the integrity of these payments, reduce burden on recipients, and promote operational efficiency, to the extent that relief fund programs overlap among common recipients:

FRA created designated Disaster Emergency Fund Codes to track and monitor COVID-19-related funding

When awarding the CARES Act funds, FRA amended its existing FY 2020 grant agreement with Amtrak, which enabled FRA to expedite disbursement of funds to Amtrak.

**Federal Railroad Administration (FRA)
National Network Grants to the
National Railroad Passenger Corporation (Amtrak)**

CARES Act Appropriation of Covered Funds:

National Network Grants	FY 2020 Base Appropriation	CARES Act
Grants	1,293,500,000	526,000,000
Contracts	0	0
Admin Oversight	6,500,000	0
Total	1,300,000,000	526,000,000

Period of Availability of Funds:

Funds are available until expended.

Type of Program:

Directed grant.

Purpose of Funding:

To amend the National Network Grant to Amtrak to prevent, prepare for, and respond to coronavirus.

FRA provides annual grants to Amtrak to underwrite the national network of routes outside of the Northeast. Due to the pandemic, ridership and ticket revenue have significantly fallen on these routes, creating a budgetary gap for the railroad. The CARES Act funding is meant fill this funding gap this fiscal year.

The law also protects certain States that help fund Amtrak routes. At least \$239 million is reserved for any increase in a State's payment under section 209 of the Passenger Rail Investment and Improvement Act (PRIIA) related to State-Supported routes. State payments under section 209 of PRIIA may not exceed 80 percent of the amount a State paid to Amtrak in FY 2019.

Amtrak must provide a weekly report to FRA on the number of furloughed employees, and FRA must report to Congress.

Intended outcomes of the CARES Act program:

Amtrak will be able to continue operations and continue investing to maintain its infrastructure and reduce its state of good repair backlog.

The funds supplement the existing grant to offset FY 2020 revenue losses and cost increases due to COVID-19. In conjunction with operating revenues and funds from states, local governments, and other entities, Amtrak uses Federal funds for a wide range of its operating and capital activities, including a portion of its operating expenses, capital maintenance of fleet and infrastructure, capital expansion and investment programs, and capital debt repayment.

Program process or design changes needed to execute CARES Act programs:

None

Key risk areas:

No unique risks related to the successful use of these funds. DOT holds monthly meetings with Amtrak to review financials and operational performance, with additional emphasis on COVID-19 related spending and cash availability.

Additional steps to ensure the integrity of these payments, reduce burden on recipients, and promote operational efficiency, to the extent that relief fund programs overlap among common recipients:

FRA created designated Disaster Emergency Fund Codes to track and monitor COVID-19-related funding.

FRA amended its existing FY 2020 grant agreement with Amtrak to expedite disbursement of funds to Amtrak.

**Maritime Administration (MARAD)
Operations and Training**

CARES Act Appropriation of Covered Funds:

Program Name	FY 2020 Base Appropriation	CARES Act
Grants		
Contracts	\$40,000,000	\$3,084,000
Admin Oversight	\$94,589,000	\$50,000
Total	\$134,589,000	\$3,134,000

Period of Availability of Funds:

Funds are available through 9/30/2021.

Type of Program:

MARAD Operations and U.S. Merchant Marine Academy (USMMA) Operations.

Purpose of Funding:

Funds are provided to prevent, prepare for, and respond to coronavirus.

\$2.134 million allocated to MARAD Operations for coronavirus expenses.

\$1 million allocated to USMMA Operations for coronavirus expenses.

Intended outcomes of the CARES Act program:

Provide supplemental budgetary resources to prevent, prepare, and respond to COVID-19.

Program process or design changes needed to execute CARES Act programs:

There are no process or design changes needed to execute the CARES Act funding for this program.

Key risk areas:

The key risk area is that funds are not being used for COVID-19 prevention or response efforts.

MARAD has established and set up new Fund Account Codes and associated Budget Program Activity Codes (BPAC) to track costs.

- MARAD also issued guidance on entering time and attendance in the timekeeping system to report status of employees who are charging the overtime hours related to COVID-19 activities.
- Developed National Defense Reserve Fleet (NDRF) policy guidance that outlines the process for requests to fund requirements due to COVID-19. This policy applies to all ships in the NDRF, including School Ships, Area Division sites, and NDRF sites.
- Budget Office reviews the status of funds several times during the week to track spending of COVID-19 funds.

- CFO Funds Control Officers review all purchase requisitions to validate that all requests for funding of COVID-19 related expenses are appropriately documented and have the correct line of accounting.

Additional steps to ensure the integrity of these payments, reduce burden on recipients, and promote operational efficiency, to the extent that relief fund programs overlap among common recipients:

- MARAD created designated Disaster Emergency Fund Codes (DEFC) to track and monitor COVID-19-related funding.

**Maritime Administration (MARAD)
State Maritime Academy Operations
SMA Direct Payments**

CARES Act Appropriation of Covered Funds:

State Maritime Academy Operations	FY 2020 Base Appropriation	CARES Act
Grants		
Contracts	\$6,000,000	\$1,000,000
Admin Oversight		
Total	\$6,000,000	\$1,000,000

Period of Availability of Funds:

Funds are available through 9/30/2021.

Type of Program:

Direct payments to the State Maritime Academies (SMAs).

Purpose of Funding:

Funds are provided to prevent, prepare for, and respond to coronavirus at the SMAs.

Intended outcomes of the CARES Act program:

Provide supplemental budgetary resources as Direct Payments distributed equally to the six SMAs.

Program process or design changes needed to execute CARES Act programs:

There are no process or design changes needed to execute the CARES Act funding for this program.

Key risk areas:

There is a risk that funds will not be used for COVID-19 prevention or response efforts at the SMAs. Because the funding is considered a direct payment, MARAD has not required the SMAs to provide plans for how funds will be used, nor will MARAD require SMA to report on spending. SMAs are designated to be responsible for determining compliance with the intent of this CARES Act funding.

To ensure that payments were made quickly and correctly, MARAD sent e-mail notification to all six SMAs informing them of their supplemental direct payment amount, and included procedures for submitting vouchers to disburse funds. CFO Funds Control Officers reviewed all SMA direct payment voucher requests to validate that all requests were appropriately documented and had the correct line of accounting. Finally, the six payments made to each SMA with these supplemental funds were checked to ensure correct payee information and amounts were verified through DELPHI accounting system status of funds reports.

To confirm funds would be spent on the intended purpose, MARAD, prior to disbursement of the funds, required each SMA to certify that they would use CARES Act funds to offset additional unanticipated expenses related to COVID-19. Payments are also subject Federal audit standards

Additional steps to ensure the integrity of these payments, reduce burden on recipients, and promote operational efficiency, to the extent that relief fund programs overlap among common recipients:

MARAD created designated Disaster Emergency Fund Codes (DEFC) to track and monitor COVID-19-related funding.

**Office of the Secretary (OST)
Salaries and Expenses**

CARES Act Appropriation of Covered Funds:

Salaries and Expenses	FY 2020 Base Appropriation	CARES Act
Grants	\$0	\$0
Contracts	\$5,236,399	\$1,653,000
Admin Oversight	\$110,253,601	\$100,000
Total	\$115,490,000	\$1,753,000

Period of Availability of Funds:

Funds are available until expended.

Type of Program:

OST and Departmental operating expenses including increased costs to prevent, prepare for, and respond to coronavirus.

Purpose of Funding:

This funding was appropriated in response to expenses that arose due to the coronavirus pandemic, which OST has allocated as:

- \$1,258,000 for information technology contracts to support three months of maximum telework environment for all parts of the Department except FAA.
- \$395,000 to replace lost DOT headquarters building parking revenue resulting from maximum telework, mitigating rent increases otherwise charged to DOT Operating Administrations.
- \$100,000 for increased headquarters building cleaning and personal protective equipment (PPE).

Intended outcomes of the CARES Act program:

This funding has enabled DOT Operating Administrations to maintain operational capacity while moving to a near-100 percent telework environment and has minimized the financial impact of the coronavirus pandemic on the Operating Administrations by providing funding for lost parking revenue and for additional HQ building cleaning and PPE requirements.

Program process or design changes needed to execute CARES Act programs:

N/A

Key risk areas:

N/A

Additional steps to ensure the integrity of these payments, reduce burden on recipients, and promote operational efficiency, to the extent that relief fund programs overlap among common recipients:

Procedures for expenditure of these funds do not differ from those that were already in place prior to the coronavirus pandemic. These funds are for an increase in OST's operating expenses in moving to maximum telework and enhanced building cleaning as a direct result of the coronavirus pandemic.

**Office of the Secretary (OST)
Essential Air Service**

CARES Act Appropriation of Covered Funds:

Essential Air Service	FY 2020 Base Appropriation	CARES Act
Grants	\$310,240,000	\$56,000,000
Contracts	\$0	\$0
Admin Oversight	\$2,272,000	\$0
Total	312,512,000	56,000,000

Period of Availability of Funds:

Funds are available until expended. CARES Act funds will be used only after funds from the base appropriation are depleted.

Type of Program:

DOT provides Essential Air Service (EAS) subsidies to air carriers to fly to over 160 small communities. The EAS program is funded from a mixture of fee revenue and appropriated resources.

Purpose of Funding:

The CARES Act funding was provided to maintain current EAS program levels. Part of the base EAS program relies on mandatory fee revenue from international airlines that fly in U.S.-controlled airspace, but neither take off nor land in the U.S. Due to the sharp decline in air travel during the COVID-19 public health emergency, the fee revenue portion of the EAS program is expected to decrease significantly, which would disrupt the program and air service to these small communities.

Intended outcomes of the CARES Act program:

Funding of the EAS program will be able to continue without interruption.

Program process or design changes needed to execute CARES Act programs:

N/A

Key risk areas:

The severity and longevity of the downturn in the airline industry is difficult to estimate. Therefore, the change in revenue from overflight fees is hard to estimate. As of June 12, 2020, the EAS program has not obligated the additional CARES Act funding. The program also receives annual appropriations for its base funding and had a high amount of carry-over of unobligated balances (\$91 million) brought forward into 2020.

Additional steps to ensure the integrity of these payments, reduce burden on recipients, and promote operational efficiency, to the extent that relief fund programs overlap among common recipients:

Procedures for expenditure of these funds do not differ from those that were already in place prior to the COVID-19 public health emergency. These funds are an offset to anticipated lost EAS program revenue.

**Office of Inspector General (OIG)
Salaries and Expenses**

CARES Act Supplemental Appropriation and Covered Funds:

Salaries and Expenses	FY 2020 Base Appropriation	CARES Act Supplemental
Admin Oversight	\$94,600,000	\$5,000,000
Total	\$94,600,000	\$5,000,000

Period of Availability of Funds:

Funds are available until expended.

Type of Program:

The program is for salaries and expenses for oversight support pursuant to authority under the Inspector General Act of 1978, as amended.

Purpose of Funding:

The supplemental funding shall be used for conducting audits and investigations of projects and activities carried out with funds made available in the Act to the Department of Transportation (DOT) to prevent, prepare for, and respond to coronavirus.

Intended outcomes of the CARES Act oversight:

OIG will utilize these supplemental funds in supporting DOT's commitment to accomplishing a swift and effective implementation of the Act's provisions with goals of maximizing efficiencies, ensuring compliance, and promoting fraud awareness.

Program process or design changes needed to execute CARES Act programs:

These supplemental funds will be utilized in concert with our annual appropriations to accomplish our mission where it relates to oversight of funds made available to DOT in this Act. Therefore, no significant changes to processes are necessary because all payments are subject to the same established internal control procedures.

Key risk areas:

OIG's supplemental funds made available in the Act fund only a subset of our overall IG Act oversight authority, resulting in a narrower scope than our annual appropriations.

Additional steps to ensure the integrity of these payments:

OIG will manage the supplemental funds using established internal control procedures, which undergo an annual, risk-based assessment to ensure effective and efficient operation. For supplemental funds, OIG employs an additional internal reporting mechanism to enhance payment integrity by giving senior leadership augmented visibility into payments made and the status of the work that the payments support.