



**U.S. Department of
Transportation**

BUDGET ESTIMATES

FISCAL YEAR 2008

**FEDERAL TRANSIT
ADMINISTRATION**

SUBMITTED FOR THE USE OF
THE COMMITTEES ON APPROPRIATIONS

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

**FISCAL YEAR 2008
BUDGET ESTIMATES**

SUBMISSION TO CONGRESS

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

FY 2008 BUDGET SUBMISSION TO THE CONGRESS

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Section 1. General
Statement and
Organization

FEDERAL TRANSIT ADMINISTRATION FY 2008 BUDGET SUBMISSION

GENERAL STATEMENT

In FY 2008, the Federal Transit Administration (FTA) requests \$9.42 billion in budget authority, \$547 million or 6 percent above the \$8.87 billion requested for FY 2007. Our budget request supports public transportation by providing stable, predictable formula funds to urbanized areas, significantly increasing funding for underserved rural communities, fully funding existing and new multi-year construction projects under the New Starts program, and improving transportation services to the elderly, low income, and persons with disabilities through coordinated planning and predictable funding.

Top FY 2008 Priorities

- Effective management and oversight of \$9.3 billion in formula and capital investment grants, especially New Starts full funding grant agreements
- Encourage and support Public-Private Partnerships in public transportation projects
- Reduce congestion through Urban Partnership Agreements and Re-engineering New Starts Project Development and Delivery
- Strengthen transit security and emergency preparedness through planning, training, and public awareness
- Effective and timely implementation of SAFETEA-LU
- Attract and retain the best workforce with the skill-set to meet the challenges facing the agency

FY 2008 Budget Request

Funding requested in this budget reflects the balance between the Administration's determination to keep its commitments to support public transportation, especially to the people who depend on public transportation for basic mobility and the need to control discretionary spending government-wide. FTA's budget is comprised of three general fund accounts, Administrative Expenses, Research and University Research Centers, and Capital Investment Grants, and a stand alone Formula and Bus Grants account using revenues derived from the Mass Transit Account of the Highway Trust Funds. The budget is also aligned with the new DOT Strategic Plan, 2006-2011, segmented by performance category and program activities.

Urbanized Area Programs

In FY 2008, \$7,871.9 million is requested in a solely trust funded account for Formula and Bus Grants. This funding level is an increase of \$609 million over the FY 2007 budget request. This includes \$4,279.8 million for the Urbanized Area Formula, including Growing States and High Density States and \$1,569.8 million for the Fixed Guideway Modernization Program to ensure that the Nation's older fixed guideway systems continue to meet the transportation needs of the communities they serve.

Formula Grants funding can be used for all capital transit purposes and, in areas under 200,000 in population, for operating assistance. Eligible capital expenses include: planning, bus, van, railcar, intelligent transportation systems (ITS), and equipment purchases; facility repair and construction, new technology introduction, and preventive maintenance. These funds help communities reduce congestion, ensure basic mobility, promote economically vital communities and help meet the requirements of the Americans with Disabilities Act (ADA) and the Clean Air Act (CAA).

This request is consistent with the Administration's goal of ensuring that the Nation's transit infrastructure is as safe, efficient and cost-effective as possible, thus attracting riders and maximizing the mobility, accessibility, economic, and environmental benefits of public transportation. An assessment of the Formula Grants programs completed as part of the FY 2006 Budget determined that these programs are effective at delivering transportation benefits in communities throughout the Nation as evidenced by a Program Assessment Rating Tool (PART) scored of 92 (out of 100).

Bus and Bus-Facilities

FTA requests \$927.6 million to provide investments in bus and bus-related capital projects that enhance the efficiency and safety of the nation's bus systems. In FY 2008, FTA is proposing a clean fuels and electric drive bus deployment (hybrid-electric) program to encourage and provide incentives to transit agencies to procure low emission technology buses, including hybrid electric buses. The FTA hybrid-electric program will develop a comprehensive approach to addressing existing barriers and challenges to the adoption and deployment of new low emission technology by a greater number of the nation's transit agencies.

State Administered Grants

The important goal of improving mobility for the elderly, persons with disabilities, and individuals with low-incomes requires more flexibility and fewer funding constraints on communities. FTA's budget requests \$876.7 million for several transit programs administered primarily by States. For the Nonurbanized Area Formula program, \$506.5 million may be used to support intercity bus service as well as to help meet rural and small urban areas' transit needs, and includes funding for the new Growing States program. A total of \$127 million in formula grants for the Elderly and Individuals with Disabilities program will be apportioned to each State according to a legislatively required formula to assist in providing transportation to the elderly and individuals with disabilities. The budget includes \$156 million for the Job Access and Reverse Commute program apportioned to States by formula for grants to non-profit organizations and local transit agencies to support transportation services for welfare recipients and low-income individuals. Funding for the New Freedom program totals \$87.5 million and will provide additional support to overcome the significant transportation barriers facing millions of Americans with disabilities seeking access to jobs and integration into the workforce.

Metropolitan and Statewide Planning

In FY 2008, FTA requests a total of \$107 million for Metropolitan and Statewide Planning. Funding will support implementation of the expanded analytic, environmental, transportation air-quality conformity, and evaluative work necessary to ensure that Federal and other transportation investments are cost-effective. Metropolitan Planning Organizations (MPOs) and State departments of transportation use these funds for planning activities located in all 50 States, Puerto Rico, and the District of Columbia. These funds also support planning activities for FTA capital grants that will be made by rural transit operators and tribal governments. Both the FTA and the Federal Highway Administration (FHWA) carry out statutory planning requirements through Metropolitan Planning Organizations, State DOT's, and transit operators as a condition of Federal assistance for most mass transportation and highway projects.

Alternative Transportation in Parks and Public Lands

For FY 2008, \$25 million is requested to enhance the protection of America's national parks and public lands by improving the experience of those visiting our national parks, while ensuring transportation access and mobility for all visitors, including individuals with disabilities. FTA worked with the Department of the Interior and the U.S. Forest Service to implement this new program in FY 2006. Investment in alternative transportation solutions in our national parks and public lands has many benefits, such as helping to relieve traffic congestion and parking shortages, enhancing visitor mobility, conserving sensitive natural, cultural, and historic resources, and reducing air pollution.

Clean Fuels, Over-the-Road Bus, and Alternatives Analysis Grant Programs

The Clean Fuels Grant program is requested at \$49 million to provide financing for the purchase or lease of clean fuel buses and facilities and improve existing facilities to accommodate these buses. This includes buses powered by compressed natural gas, biodiesel fuels, batteries, alcohol-based fuels, hybrid electric technology, fuel cell and certain clean diesel fuels (up to 25 percent of grants annually), and other low or zero emissions technology.

The budget also includes funding for the Over-the-Road Bus program of \$8.3 million. Funding will assist operators of over-the-road buses in financing the incremental capital and training costs of complying with the Department of Transportation's final rule on accessibility of over-the-road buses required by the ADA.

The Alternatives Analysis program is funded at \$25 million and provides support for transit projects in early stages of development and to investigate transit alternatives to solving local transportation problems. In addition, the National Transit Database (NTD) funded at \$3.5 million is the primary national source for statistics on the transit industry and is used to allocate formula funds. About 640 transit agencies that receive FTA grants submit annual reports to FTA through this internet-based reporting system.

Major Capital Investments

FTA requests \$1,399.8 million for capital investment grants in FY 2008 to fund approximately 15 existing, pending or anticipated full funding grant agreements (FFGAs). The benefits of these projects cover 11 states and the District of Columbia. The total cost of these projects exceeds \$21.9 billion (total federal, state, and local funds), with Federal New Starts funding providing approximately \$13.3 billion. When completed, these projects will help improve mobility, reduce congestion and pollution, and promote new economic activity throughout the Nation.

The new “Small Starts” component of the New Starts program designed to support projects with a total cost of less than \$250 million and needing less than \$75 million in Federal New Starts funds, is funded at \$100 million in FY 2008. FTA is developing new regulations to implement the evaluation and project development processes for this new program.

FTA has consistently scored high on its PARTed programs and the New Starts program received an 83 (out of 100) – making it one of the highest rated discretionary grant programs across government.

Research and University Research Centers

In FY 2008, \$61 million is requested for transit research (the National Research and Technology program, Transit Cooperative Research Program, the National Transit Institute and University Research Centers).

A total of \$40.4 million is requested for the National Research and Technology program. These funds support the goals of FTA’s Strategic Research Plan developed in consultation with the transit industry. Proposed activities support the following five goals: increase transit ridership; improve capital and operating efficiencies; improve safety and emergency preparedness; protect the environment and promote energy independence; and provide transit research leadership. The goals and objectives of FTA’s Transit Cooperative Research Program (TCRP) requested at \$9.3 million focus on issues significant to the transit industry with an emphasis on local problem-solving research. The budget requests \$4.3 million for the National Transit Institute (NTI) located at Rutgers University in New Jersey to develop and teach new methods and techniques to improve transit workforce performance and increase productivity in the workplace. Funding for University Research Centers is requested at \$7 million to provide continued support for research, education and technology transfer activities aimed at addressing regional and national transportation problems.

The Research Programs were recently evaluated using the PART and scored 95 (out of 100), demonstrating that these programs are effective in getting results and meeting FTA’s strategic research goals.

Administrative Expenses

FTA is requesting \$89.3 million in administrative expenses, \$4.3 million above the FY 2007 budget to help ensure it can effectively and efficiently fulfill its mission. More than 85 percent of the Administrative budget supports salaries and benefits for 517 full-time equivalent employees, rent, building maintenance, security and other essential services; 12 percent funds essential information technology and financial management systems – the Transportation Electronic Award and Management (TEAM) grant making system, the Delphi accounting system, and FTA’s ECHO (Electronic Clearing-House Operation) payment system; and the remaining 3 percent funds travel, training, printing and supplies.

SAFETEA-LU ushered in historic levels of funding for the period 2005-2009 totaling \$45.3 billion, an average of \$9 billion a year. The record funding levels and other legislative requirements for new programs, new regulations and congressional reports must be supported with staffing levels consistent with the ability to be timely in implementing SAFETEA-LU.

The law creates a number of new programs such as Small Starts, Transit in the Parks, and New Freedom, and requires that regulations be developed and published in the Federal Register within tight time constraints for New Starts, Buy America, security, and Charter Bus. New programs require significant efforts to provide policies and procedures, guidance and technical assistance. Although FTA is committed to continuing its efforts to increase efficiency and productivity, these measures will be compromised by the additional workload of implementing SAFETEA-LU with no increase in staffing levels.

FTA has been a leader in the Department by expanding its automated systems to provide direct access to grant information by our customers. Our Transportation Electronic Award and Management (TEAM) system is a model for automation and E-government within the Department and across the Federal Government. However, FTA staff and contractor resources must be sufficient to guard against significant risks of cyber terrorism and to maximize the stewardship of the Federal investment in transit projects. Therefore, our budget request includes additional resources to meet important security information technology needs. The budget also includes increases for higher Delphi accounting system costs, accounting services, consultant costs related to the implementation of OMB Circular A-123, and costs to correct audit deficiencies identified by the Office of the Inspector General.

Building a Foundation for Congestion Relief and Public-Private Partnerships

In accord with the Department’s Six-point Plan to address increasing congestion, FTA will work to support *Urban Partnership Agreements* to foster public transportation growth in highly congested urban areas that will aid “free-flow” traffic conditions, thus improving through-put and reducing costs due to wasted fuel and travel time. With variable pricing on highway lanes, the lanes can be kept free-flowing and provide opportunities for speedy Bus Rapid Transit and Express Bus services. Such services are flexible and cost-effective modes of public transportation, and provide viable commuting options for those

who must travel during rush hours. Funding is requested to support Urban Partnership Agreements through studies and data analysis of transportation “Corridors of the Future”. In addition and to the maximum extent possible by law, FTA will use Small Starts funds to support the congestion initiative.

In addition, FTA will work with the Department to reduce barriers to private sector investment in the construction and ownership of public transportation services. A Public-Private Partnership Pilot Program authorized by SAFETEA-LU provides FTA with the opportunity to work with the private sector on partnerships with transit agencies. FTA will complete an evaluation of the pilot program in August 2007 and use the information from the evaluation to better understand how the private sector can be an integral partner in the construction and management of public transportation systems. This will involve encouraging States to enact legislation to enter into infrastructure agreements with the private sector, and develop strategies to overcome resistance to reform through education, demonstrations and relationship building with State agencies and private investors/developers.

Transit Security

FTA requests \$46.6 million to support security activities in public transportation systems. The security of our public transportation system remains a high priority of this Administration and the Department. FTA has identified three priority areas with regard to security: 1) training transit employees to deter, detect, mitigate and respond to a variety of emergency scenarios; 2) ensuring that local agencies have emergency plans in place and routinely practice them; and, 3) increasing public awareness, so that passengers can identify suspicious or unusual behavior, communicate with transit officials, and exit safely in the event of an emergency.

Every workday, transit moves more than 14 million passengers. In two weeks, transit moves more passengers than Amtrak carries in a year. In one month transit moves more passengers than U.S. airlines transport in a year. Transit agencies across America have strengthened their security systems and enhanced their emergency response plans, and FTA has placed a high priority on increasing the security of our public transportation systems and ensuring that they are prepared for security threats and emergency situations.

Consistent with SAFETEA-LU, transit systems that receive formula funds (Section 5307) are required to use at least one percent of the amount each fiscal year on “public transportation security projects” unless they certify, and the Secretary of Transportation agrees, that the expenditure for security projects is unnecessary. These funds contribute to a safer transit system by improving the condition of public transportation fleets, track and transit facilities.

In addition, SAFETEA-LU allows for investigations of safety hazards and security risks associated with a condition in equipment, a facility, or an operation financed under the Federal Transit Act. In 2005, an annex to the memorandum of understanding (MOU) between the Secretary of Transportation and the Secretary of Homeland Security was

completed. The annex to the MOU includes a process to develop security standards for public transportation; a method of direct coordination with public transportation agencies on security matters; and, a formal and permanent mechanism to ensure coordination and involvement by the Department of Transportation, as appropriate.

Enhanced Coordination of Human Service Transportation

Consistent with the national commitment to improve coordination and access to specialized transportation, the President signed Executive Order 13330 on Human Service Transportation Coordination in February 2004, to improve human service transportation coordination for individuals with disabilities, older adults, and people with lower incomes. The Executive Order established the Interagency Transportation Coordinating Council on Access and Mobility (CCAM), is chaired by Secretary of Transportation Mary Peters, and includes 11 Federal Departments, representing 64 Federal programs that support transportation for people with disabilities, older adults, and individuals with lower incomes. This past year, the Council continued to support United We Ride, focusing on five key recommendations submitted in its 2005 Report to the President. As a result, the Council has adopted two new policy statements on: 1) coordinated planning; and, 2) vehicle sharing, both intended to enhance efficiencies for human service transportation. In addition, the Council is in the process of finalizing performance measures and establishing cost sharing principles. The Council also just selected eight communities to participate in the United We Ride-Mobility Services for All Americans Pilot Demonstration Project, to simplify access for consumers at the local level through the use of Intelligent Transportation Systems (ITS). Other activities of the Council include technical assistance, training, and outreach for consumers, human service providers, transportation agencies, and policy makers. Ongoing technical assistance -- "*Help Along the Way*" is built on work of the Community Transportation Assistance Program, the Rural Transportation Assistance Program, and Easter Seals Project ACTION.

These activities compliment FTA's Job Access and Reverse Commute (JARC) program to meet the huge demand for transit services among people with low incomes—only six percent of individuals formerly on welfare own an automobile and rely on public transportation to get to work.

Implementation of the President's Management Agenda

This budget request continues the focus on seven government-wide initiatives under the President's Management Agenda. Constant effort must be made to find creative ways to save and stretch taxpayer dollars, many through small improvements. Breakthrough improvements in managing Federal resources and better serving the public may come only after years of dedicated efforts. While addressing such challenges requires sustained effort, significant progress has been made during the past year in certain areas of the President's Management Agenda. The actions necessary to "Get to Green" on the President's management scorecard have been integrated into FTA's Annual Performance Plan and are woven into every facet of our operations. FTA's goal is to "Get to Green" on all five initiatives by the end of FY 2007 and our budget proposal will maintain a "green" rating.

The five core government-wide initiatives in the President's Management Agenda, and three additional initiatives are:

- Strategic Management of Human Capital;
- Expanded Electronic Government;
- Competitive Sourcing;
- Improved Financial Management;
- Budget and Performance Integration;
- R&D Investment Criteria;
- Eliminating Improper Payments; and
- Real Property (FTA does not have real property so it does not participate in this Initiative)

Since inception of the President's Management Agenda in 2002, FTA has made significant progress in Strategic Management of Human Capital, E-government, Competitive Sourcing, Improved Financial Management and Budget and Performance Integration. During FY 2005, additional initiatives were added on R&D Investment Criteria, Eliminating Improper Payments, and Real Property Management. A discussion of FTA progress toward full achievement of the President's Management Agenda follows.

Strategic Management of Human Capital

FTA has taken positive steps to strategically manage its workforce. FTA's attrition rate (retirements and departures for other jobs) historically averages approximately 6 percent per year. However, in 2001, an internal analysis projected that by 2008, retirements alone could reach as high as 225 FTEs, or 40 percent of FTA's total workforce. Recognizing the potential for a wave of retirements and FTA's vulnerability of losing valuable expertise and institutional knowledge, FTA chose to address the situation by offering voluntary early retirements and buyouts during FY 2004 and during the first quarter of FY 2005. This has given FTA the flexibility to recruit the skill-mix needed to meet ongoing and future demands on the agency, and improve the impact of our programs and our focus on customers.

To help address these challenges, FTA has made "attract and retain the best employees" a strategic goal. Specific action items to address this goal include an aggressive recruitment strategy to: market FTA to prospective employees in the Federal Government and private sector; streamline the hiring process; and target new hires in five core occupations that have shortages. In the last two years, FTA hired 15 Presidential Management Fellows (PMF), 5 Career Residency Program Participants (a Department of Transportation Management Intern Program similar to the PMF Program), and 2 Outstanding Scholars, for key occupations throughout the Agency. FTA has also instituted a tuition loan repayment program in its budget as an incentive program to attract and retain highly skilled employees.

FTA's Annual Performance Plan ensures that current employees focus on results that matter to our customers. FTA has implemented a performance accountability appraisal

system focusing on specific results in transit ridership, SAFETEA-LU implementation, project management and oversight, and grants management and leadership. Starting in FY 2005, the results-oriented focus of FTA's senior executive accountability appraisal system was integrated into the new five-tier performance management system for managers and staff throughout the organization.

Competitive Sourcing

The President's competitive sourcing initiative seeks to provide agencies with options for conducting business more cost effectively or acquiring skills or services that may not be available in-house. FTA plans to achieve efficient and effective competition between public and private sources. FTA has reviewed the functional areas and the number of positions that will be included in its FY 2005 competitive sourcing studies and two additional studies are underway in human resources and information technology. FTA has also just completed an extensive workforce analysis. The workforce analysis together with competitive sourcing studies will be important tools to help decide what our most critical workforce needs are, and the proper allocation of limited administrative expenses.

Expanded Electronic Government

The Internet and the electronic age have made more information accessible at the touch of a button. Government information should be at the forefront of this new information revolution. That is where the combination of the Internet and E-government come in. For its part, FTA is working to: 1) prioritize and manage E-government projects effectively by improving agency information technology capital planning through the budget process; 2) create a citizen-centered web presence and build E-government infrastructure, including E-travel, E-procurement and E-grants; and 3) advance an E-government strategy that includes specific outcomes.

FTA is a leader within the Department in expanding automated systems to provide direct access to all grant information to our customers. Our Transportation Electronic Award and Management (TEAM) system was implemented in 1999. Since that time, increases in program funding and in the number of programs managed by FTA have substantially increased the number of grant awards being processed through TEAM. Annually TEAM serves over 6,000 users and tracks grants worth over \$112 billion.

Customer service has been a key operating objective and in FY 2006, 94 percent of FTA grants were processed within 60 days of receiving a completed application – beating last year's mark of 91 percent. In FY 2006, FTA set an additional goal to shorten the average timeframe for processing grants to less than 36 days and exceed this goal in FY 2006 by processing more than 2,100 grants in an average of 28 days. However, to continue this trend, more improvements in the TEAM system are needed in FY 2007 and FY 2008 in order to continue to improve budget execution, increase customer service and enhance management oversight.

In FY 2008, FTA will continue to strengthen computer security and investment controls. A recent financial statement audit by the Office of Inspector General cited weaknesses in security planning and management, access controls, business controls and system change controls, and business continuity planning. Additional resources in this budget will secure our information technology systems against the risks of intruders by establishing network controls. This budget includes funding for additional information technology costs associated with the consolidation of desktop maintenance and purchasing services throughout the Department in anticipation of moving to a new building in FY 2007.

Improved Financial Performance

The President's Improved Financial Performance initiative is enhancing the quality and timeliness of financial information so that it can be used to manage Federal programs more effectively, while preventing waste, fraud, and abuse.

FTA continues to make progress in eliminating internal control weaknesses in financial management by putting into place more stringent policies and procedures for timely and effective reconciliation of account data, training employees on internal controls and conducting self-assessments on several lines of business areas, completing monthly financial statements, and implementing the requirements of the 1982 Financial Managers Financial Integrity Act (FMFIA). Specific actions FTA has taken to improve financial management include: 1) correcting the material weakness in grants management identified in the FY 2005 financial statement audit; 2) converting its grant payment system processor to a more secure web-based platform; and 3) implementing the requirements of FMFIA through a risk-based management control plan and independent reviews of high-risk functions. FTA has also implemented managerial cost accounting to better link program costs with labor hours and performance metrics. Labor distribution reporting is already underway within the agency, a first step to full implementation.

Budget and Performance Integration

The Budget and Performance Integration initiative follows through on the President's commitment to build a results-oriented government that funds effective programs and reforms or terminates ineffective programs. This budget submission continues the process of tying the budget to performance, as required by the 1993 Government Performance and Results Act (GPRA). FTA's FY 2008 budget is organized in line with the goals adopted by the Department in its strategic plan. These goals include: safety, reduced congestion, global connectivity, environmental stewardship, security, preparedness and response, and organizational excellence.

During the past year, FTA completed an assessment of its national research program using the Office of Management and Budget's Program Assessment Rating Tool (PART) and received a score of 95 (out of 100). This high score follows up on the high score for FTA's Formula Grants program (92 out of 100), completed as part of the FY 2006 Budget. The results of the PART demonstrate that the national research and Formula Grant programs are

effective in increasing ridership and improving the condition of transit assets and accessibility to public transportation for physically challenged individuals.

Full cost accounting implemented during 2006 will provide FTA management with information about the full and relevant costs of activities, goods, and services, thereby enabling managers throughout the agency to make informed decisions about which activities to pursue and which to eliminate.

R&D Investment Criteria

FTA has incorporated the Administration's R&D investment criteria into the budget process. The criteria provide broad guidelines for planning and managing all levels of Federal RD&T. Each of the criteria has both prospective and retrospective elements:

- *Relevance*: Programs must have complete plans, with clear goals and priorities; must articulate their potential public benefits; and must be relevant to national and customer needs. Agencies must assess relevance periodically through both prospective and retrospective independent review.
- *Quality*: Programs must use clearly stated, defensible methods for awarding funding; those allocating funds through means other than a competitive, merit-based process must justify funding methods and document how quality is maintained. Agencies must assess the quality of research using retrospective reviews by technical experts.
- *Performance*: Programs must maintain long-term objectives—with annual measures and targets—and define appropriate outputs, outcomes, schedules, and decision points. Agencies should express program results in terms of public benefits. Performance must be retrospectively documented annually.

The R&D investment criteria have three aims: (1) improve program management; (2) inform funding decisions; and (3) increase public understanding of the benefits of Federal research. Applying the criteria affords agencies and the public with the benefits of an informed program decision-making process; improved methods for budgeting, selecting, and managing RD&T programs; and enhanced communication of the Administration's expectations for RD&T programs, thereby increasing the overall benefits and efficacy of the Federal research portfolio.

Eliminating Improper Payments

The Government Accountability Office (GAO) reported that improper payments cost the Federal government approximately \$35 billion annually and that Federal expenditures are likely to increase due to the projected increased costs of programs such as Medicare, Medicaid, and Social Security. The joint Chief Financial Officers' Council and the President's Council on Integrity and Efficiency identified a number of problems that increase the risk of improper payments. They include: weak or incomplete program control environment, and risks inherent in the regulatory and policy structure and a lack of attention toward Government-wide coordination and information sharing. The "Improper Payment

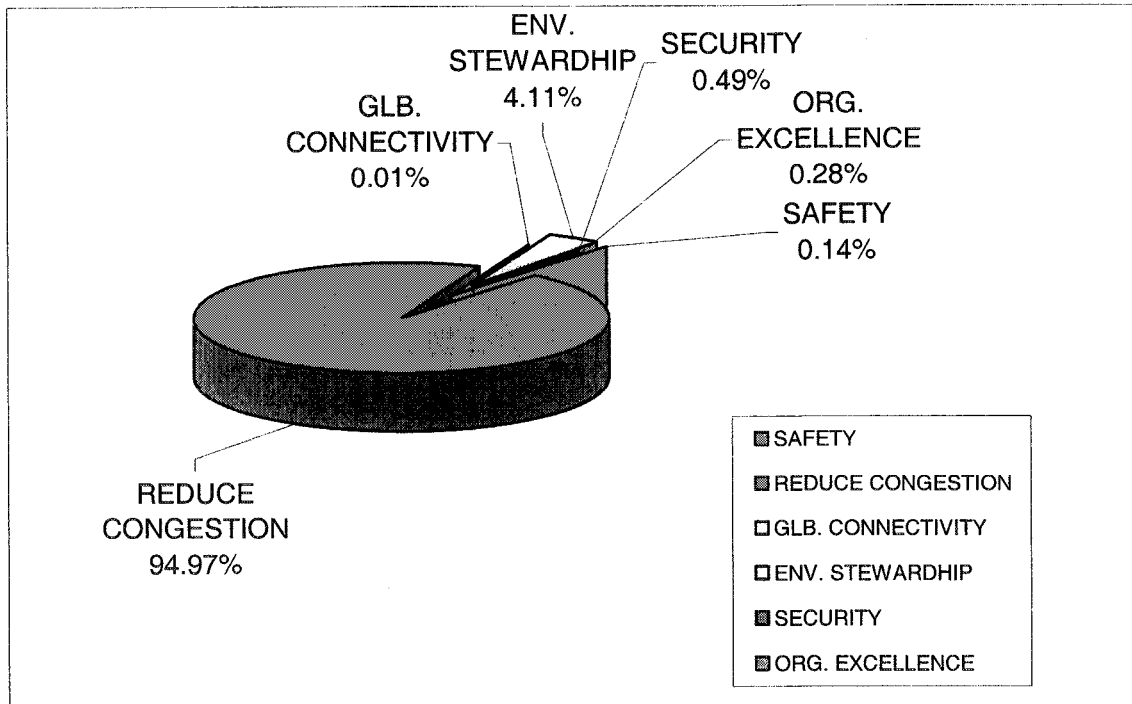
Information Act of 2002” requires agencies on or after September 30, 2004 to: Identify and review all programs and activities for significant erroneous payments. Significant erroneous payments are defined as annual improper payments in the program exceeding both 2.5% of program payments and \$10 million.

An independent review of improper payments was completed for FTA Capital Investments, and Formula and Bus Grants. The review documented that “payments being processed through sophisticated financial systems like FTA’s TEAM and ECHO systems, as well as Delphi, are able to be carefully monitored and controlled.” The contractor further commended FTA on the processes and systems that have been put into place that have ensured the accuracy of its grants payments. The review also reported that the “team is very dedicated and knowledgeable about the grants payment processes and systems, and that is a key factor in making the processes work.” A second study to determine an improper payment rate within FTA is underway and should be completed during FY 2007.

Strategic Investment in FY 2008

The goals of the Department and the FTA as delineated in the DOT strategic plan are:

- **Safety** – Enhance public health and safety by working toward the elimination of transit-related deaths, injuries, and property damage, and the improvement of personal security and property protection;
- **Reduced Congestion** – Reduce congestion and other impediments to using the Nation’s transportation system;
- **Global Connectivity** – Facilitate an international transportation system that promotes economic growth and development;
- **Environmental Stewardship** – Promote transportation solutions that enhance communities and protect the natural and built environment;
- **Security, Preparedness, & Response** – Balance transportation security requirements with the safety, mobility and economic needs of the Nation and be prepared to respond to emergencies that affect the viability of the transportation sector; and
- **Organizational Excellence** – Advance the Department’s ability to manage for results and achieve the goals of the President’s Management Agenda.



Safety. FTA shares the Administration’s emphasis on safety and security as the top priority of the Nation’s transportation system. Due in part to FTA’s commitment to safety, public transportation is the safest mode of surface transportation. According to the National Safety Council, riding the bus is 47 times safer than traveling by car. Traveling by train is 23 times safer than traveling by car. FTA’s goal is to promote public health and safety by working toward the elimination of transit-related deaths, injuries, and property damage, as well as the improvement of personal security and property protection. FTA also works diligently with States to successfully implement State Safety Oversight for Rail Fixed Guideway Systems and published a new rulemaking in FY 2005. The challenge is to further reduce the rate of fatalities and injuries, even as the total number of people using transit increases. To help meet this challenge, the budget requests \$12.8 million for FTA safety oversight, research projects, and associated administrative costs. Continuing to fund transit safety will contribute to reducing the rate of transit-related injuries and incidents.

Reduced Congestion. A key goal of the Department is to increase access to domestic transportation systems for the movement of people and commodities, thus promoting America’s economic growth and competitiveness through efficient and flexible transportation. FTA continues to positively shape America’s future by ensuring that our public transportation system is efficient, accessible, integrated with other modes, and that it offers viable transportation choices. Eighty million Americans who live in transit-intensive urban areas directly benefit from transit. In addition, many elderly, poor, and disadvantaged individuals in rural and small urban areas depend on public transit services for basic mobility to jobs, medical services, and grocery stores. Many of the 37 million Americans who live below the poverty level rely on transit as their only means of transportation. Transit is also important to many of the 54 million Americans with disabilities. FTA strongly supports the

President's commitment to remove transportation barriers to equality that face Americans with disabilities. FTA has worked tirelessly with our transit operators and State partners toward our goal that all transit buses be 97 percent lift-equipped or have low-floors by 2006, and that 100 percent of key rail stations will be in compliance with the Americans with Disabilities Act (ADA) by the year 2010.¹

Closely tied to improving mobility is the Department's goal of improving the structural integrity and operational efficiency of the Nation's transportation infrastructure. In FY 2008, FTA's Formula and Bus Grant and Capital Investment Grant programs will provide \$9.3 billion in capital resources for infrastructure investment. FTA Formula Grant funding can be used for capital transit purposes (i.e., security, planning, introduction of new technology, bus, railcar, intelligent transportation systems (ITS) and equipment purchases, facility repair and construction, maintenance, and, in areas with population under 200,000, operating expenses). The Capital Investment (commonly called New Starts) program provides funding for fixed guideway modernization activities and construction of new, and extensions to existing fixed guideway systems.

The 2004 edition of the *Status of the Nation's Surface Transportation System: Conditions and Performance* (the "C&P Report") reviews the condition of the Nation's highway and transit systems and estimates the investment scenarios necessary to maintain and improve surface transportation in the United States. The report estimates the transit investment scenario of \$15.8 billion from all sources -- Federal, State and local -- over the next 20 years to maintain the Nation's public transportation facilities and equipment in their current state of repair and to meet projected increases in travel demand. The investment scenario to improve transit conditions to "good" and to improve performance by reducing crowding and improving transit passenger travel speed is estimated to be \$21.8 billion from all sources.

As a result of the unprecedented levels of investment in recent years, transit has experienced the highest percentage of ridership growth among all modes of surface transportation, growing over 28 percent during the 1990's. During the six years 1998 to 2004, passenger miles traveled on transit grew by 12 percent, more than double the rate of domestic air and road travel combine. The latest statistic shows that people rode our Nation's public transportation systems more than 9 billion times -- traveling to and from work, medical appointments, school, and social events. Nearly two-thirds of these trips were on buses.

Overall, our budget requests \$8,948.3 million in support of a transportation system that is accessible, seamless with other modes, efficient, and offers viable transportation choices.

¹ Although the Americans with Disabilities Act required all key stations to be accessible by July 26, 1993, 49 CFR 37.47 (c)(2) permitted the FTA Administrator to grant an extension up to July 26, 2020 for stations requiring extraordinarily expensive structural modifications to bring them into compliance. Currently, there are 138 stations under FTA approved time extensions. FTA's goal is to have 91 percent of the key stations in full compliance by 2006.

Global Connectivity. FTA seeks to promote the export of U.S. transit goods and services, and inform the U.S. transit community about technology and innovations found abroad that can be used to improve domestic transit systems. The budget requests \$999,000 for this goal. FTA works to assist the U.S. public transportation industry in learning about and accessing business opportunities in the global marketplace. Efforts over the past year have included; a partnering with the Department of Energy to support public transportation initiatives in conjunction with the 2008 Beijing Olympics to help U.S. firms with environmentally friendly transit technologies enter the China market, and efforts in Ghana, Nigeria and Burkina Faso to study the feasibility of new or upgraded bus systems supported by U.S. engineering firms and equipment suppliers.

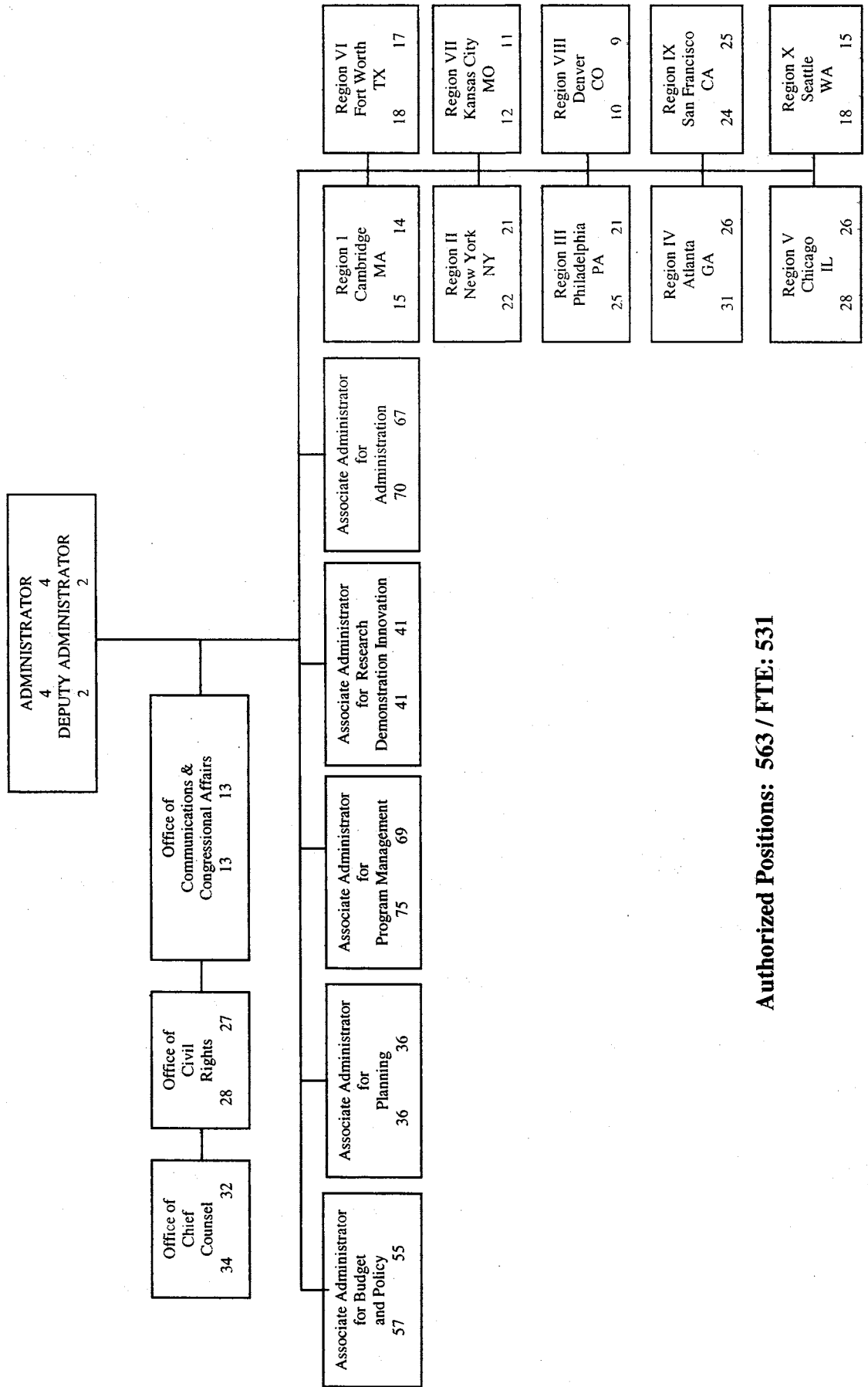
Environmental Stewardship. Another of the Department's performance goals is to promote transportation solutions that enhance communities and protect the natural and built environment — both of which are affected by transportation. The FY 2008 budget requests \$387.2 million for these goals. Transit's ability to reduce traveling by car travel helps protect public health and the environment. FTA estimates that transit use saves 3 billion gallons of automobile fuel each year. This equates to eliminating 760 million pounds of hydrocarbons, 403 million pounds of nitrogen oxides and 6.6 billion pounds of carbon monoxide (CO) emissions that would be inhaled by humans. In pursuit of a cleaner environment, FTA is sponsoring research on and tests of innovative technologies such as hybrid electric buses and alternative fuels that are less polluting than diesel fuel. Enabling and promoting the expanded use of clean fuel buses, particularly in urbanized areas that are in Clean Air Act non-attainment status for ozone, particulates, or carbon monoxide emission reductions, is an important FTA objective.

Security, Preparedness, and Response. Every workday, transit moves more than 14 million passengers. In two weeks, transit moves more passengers than Amtrak carries in a year. In one month, transit moves more passengers than U.S. airlines transport in a year. Transit agencies across America have strengthened their security systems and enhanced their emergency response plans, and FTA has placed a high priority on increasing the security of our public transportation systems and ensuring that they are prepared for security threats and emergency situations. FTA has identified three priorities with regard to security: training for transit employees to deter, detect, mitigate and respond to a variety of emergency scenarios; ensuring that local agencies have emergency plans in place and routinely practice them; and increasing public awareness, so that passengers can identify suspicious or unusual behavior, communicate with transit officials, and exit safely in the event of an emergency.

Consistent with SAFETEA-LU, recipients of Section 5307 formula funding are required to use at least one percent of the amount a grantee receives each fiscal year on “public transportation security projects” unless the grantee certifies, and the Secretary of Transportation agrees, that the expenditure for security projects is unnecessary. These funds contribute to safer transit by improving the condition of public transportation fleets, track and transit facilities. The FTA budget requests \$46.6 million to ensure that transit agencies address security needs and to provide assistance in the areas of emergency preparedness, employee training, and public awareness.

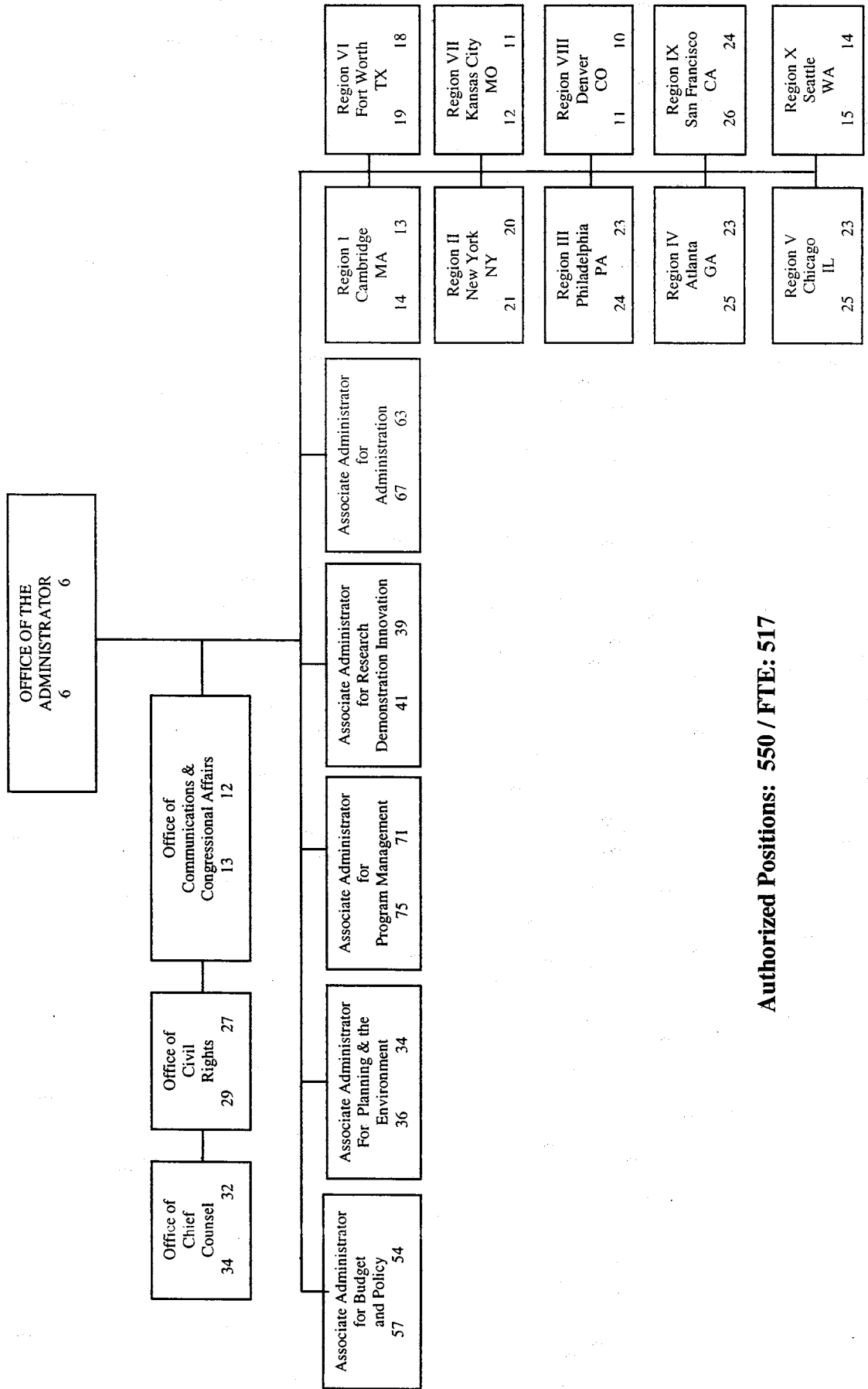
In summary, the record demand for public transportation suggests that Americans want more and better public transportation alternatives. Consistent with the President's Management Agenda FTA's budget is citizen-centered, outcome-oriented, and customer-focused. This budget proposal supports SAFETEA-LU, and ensures that public transportation will continue to contribute to a healthy economy, facilitate mobility in communities, reduce congestion, help conserve energy and protect the environment. We are working with you and other public transportation stakeholders to implement SAFETEA-LU and the *National Strategy to Reduce Congestion on America's Transportation Network* that will significantly increase the quality of life of every person and every business in America. This budget proposal will position transit to achieve tremendous success in FY 2008 and beyond.

FY2007 Authorized Positions and FTE



Authorized Positions: 563 / FTE: 531

FY2008 Authorized Positions and FTE



Authorized Positions: 550 / FTE: 517

EXHIBIT II-1
COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY
FEDERAL TRANSIT ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

ACCOUNTS	FY 2006 Actual	1/ FY 2007 Continuing Resolution	FY 2007 Pres. Budget	FY 2008 Request
1. Administrative Expenses (General Funds)	79,200	79,200	85,000	89,300
2. Research and University Research Centers (General Funds) 2/	74,448	65,000	61,000	61,000
3. Capital Investment Grants (General Funds)	1,440,682	3/ 1,566,000	1,466,000	1,399,818
4. Formula and Bus Grants (Trust Funds)	8,277,887	5/ 6,910,132	7,262,775	7,871,895 4/
TOTALS:	<u>9,872,217</u>	<u>8,620,332</u>	<u>8,874,775</u>	<u>9,422,013</u>

1/ FY 2006 reflects enacted budget and rescission of 1 percent pursuant to P.L. 109-148 Div B, Title III, Chapter 8, sec. 3801.

2/ Research and University Research Centers does not include the \$100,000 in Indefinite Appropriation Authority in FY 2007 and FY 2008 for the International Mass Transportation Program.

3/ Does not include \$47 million transferred from Formula and Bus Grants, P.L. 109-115.

4/ The Obligation Limitation in SAFETEA-LU Section 3040, is \$998,000 less than the Contract Authority.

5/ Includes \$1.38 billion in "flex funds" transferred from the Federal Highway Administration.

NOTE: Some totals may not add due to rounding.

EXHIBIT II-2
FY 2008 BUDGET REQUEST BY APPROPRIATION ACCOUNT
FEDERAL TRANSIT ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

ACCOUNTS	FY 2006 Actual	1/ FY 2007 Continuing Resolution	FY 2007 Pres. Budget	FY 2008 Request
1. Administrative Expenses	79,200	79,200	85,000	89,300
2. Research and University Research Centers 2/	<u>74,448</u>	<u>65,000</u>	<u>61,000</u>	<u>61,000</u>
National Research Program (Section 5314)	54,351	44,400	40,400	40,400
Transit Cooperative Research (Section 5313)	8,910	9,300	9,300	9,300
National Transit Institute (Section 5315)	4,257	4,300	4,300	4,300
University Centers Program (Section 5506)	6,930	7,000	7,000	7,000
3. Capital Investment Grants	<u>1,440,682</u>	<u>1,566,000</u>	<u>1,466,000</u>	<u>1,399,818</u>
New Starts and Small Starts (Section 5309)	1,440,682 3/	1,566,000	1,466,000	1,399,818
4. Formula and Bus Grants	<u>8,277,887</u> 5/	<u>6,910,132</u>	<u>7,262,775</u>	<u>7,871,895</u> 4/
Urbanized Area Formula Grants (Section 5307)	4,993,628	3,756,205	3,947,302	4,279,773
Fixed Guideway Modernization (Section 5309)	1,377,090	1,377,090	1,448,000	1,569,801
Bus and Bus Facility Grants (Section 5309)	859,800	814,028	855,500	927,632
Over-the-Road Bus Accessibility Program (Section 3038 TEA-21)	7,425	7,425	7,600	8,299
Clean Fuels Grant Program (Section 5308)	17,607	42,570	45,000	48,994
Planning Programs (Section 5305)	119,324	94,050	99,000	106,986
Formula Grants for Special Needs for Elderly Individuals and Individuals with Disabilities (Section 5310)	175,312	110,880	117,000	126,984
Formula Grants for Other Than Urbanized Areas (Section 5311)	466,482	444,049	466,873	506,464
Job Access and Reverse Commute Formula Program (Section 5316)	136,620	136,620	144,000	155,980
New Freedom Program (Section 5317)	77,220	77,220	81,000	87,489
National Transit Database (Section 5335)	3,465	3,465	3,500	3,500
Alternatives Analysis Program (Section 5339)	24,750	24,750	25,000	24,997
Alternative Transportation in Parks and Public Lands (Section 5320)	21,780	21,780	23,000	24,997
Transfer of unobligated Balances	(2,617)			
TOTALS:	<u>9,872,217</u> 5/	<u>8,620,332</u>	<u>8,874,775</u>	<u>9,422,013</u>
[Mandatory]	8,277,887	6,910,132	7,262,775	7,871,895
[Discretionary]	1,594,330	1,710,200	1,612,000	1,550,118

1/ FY 2006 reflects enacted budget and rescission of 1 percent pursuant to P.L.109-148 Div B, Title III, Chapter 8, sec. 3801.

2/ Research and University Research Centers does not include the \$100,000 in Indefinite Appropriation Authority in FY 2006, FY 2007 and FY 2008 for the International Mass Transportation Program.

3/ Does not include \$47 million transferred from Formula and Bus Grants, P.L. 109-115.

4/ The Obligation Limitation in SAFETEA-LU Section 3040, is \$998,000 less than the Contract Authority.

5/ Includes \$1.38 billion in "flex funds" transferred from the Federal Highway Administration.

NOTE: Some totals may not add due to rounding.

EXHIBIT II-3
 FY 2008 BUDGET REQUEST BY APPROPRIATION ACCOUNT AND STRATEGIC OBJECTIVE
 FEDERAL TRANSIT ADMINISTRATION
 Appropriations, Obligation Limitations, and Exempt Obligations
 (\$000)

Appropriation/ Program Activity/ Performance Goal	Safety	Reduced Congestion	Global Conn.	Environ. Steward.	Security	Org. Excellence	Total
<u>Administrative Expenses</u>	<u>1,046</u>	<u>64,096</u>	<u>299</u>	<u>747</u>	<u>598</u>	<u>22,515</u>	<u>89,300</u>
Program Support	<u>1,046</u>	<u>64,096</u>	<u>299</u>	<u>747</u>	<u>598</u>	<u>10,458</u>	<u>77,244</u>
Reduction in transit-related deaths and injuries	1,046						1,046
Reduction in urban congestion		62,751					62,751
Increased access for all Americans		1,345					1,345
Reduced barriers to trade in transit goods and			299				299
Reduced pollution effects of transit				747			747
Effective response to emergencies affecting transit					598		598
goals						2,689	2,689
Achieved competitive sourcing goals						299	299
Achieved financial performance goals						3,586	3,586
Achieved E-government goals						2,241	2,241
Achieved budget and performance integration goals						1,643	1,643
Administrative Programs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,057</u>	<u>12,057</u>
goals						628	628
Achieved financial performance goals						3,019	3,019
Achieved E-government goals						8,410	8,410
<u>Formula and Bus Grants</u>	<u>4,150</u>	<u>7,437,708</u>	<u>0</u>	<u>382,681</u>	<u>44,210</u>	<u>3,145</u>	<u>7,871,895</u>
Planning Programs	<u>0</u>	<u>106,451</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>106,451</u>
Reduction in urban congestion		106,451	0	0	0	0	106,451
Clean Fuels Grant Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>48,994</u>	<u>0</u>	<u>0</u>	<u>48,994</u>
Reduced pollution effects of transit				48,994			48,994
Urbanized Area Formula Grants	<u>0</u>	<u>3,957,900</u>	<u>0</u>	<u>250,041</u>	<u>42,504</u>	<u>0</u>	<u>4,250,445</u>
Reduction in urban congestion		3,846,771					3,846,771
Increased access for all Americans		111,129					111,129
Reduced pollution effects of transit				250,041			250,041
Effective response to emergencies affecting transit					42,504		42,504
Bus and Bus Facility Grants	<u>0</u>	<u>835,010</u>	<u>0</u>	<u>83,346</u>	<u>0</u>	<u>0</u>	<u>918,356</u>
Reduction in urban congestion		835,010					835,010
Reduced pollution effects of transit				83,346			83,346
Fixed Guideway Modernization	<u>0</u>	<u>1,554,103</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,554,103</u>
Reduction in urban congestion		1,554,103					1,554,103
Grants for Elderly and Persons With Disabilities	<u>0</u>	<u>126,349</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>126,349</u>
Increased access for all Americans		126,349					126,349
Non-urbanized Area Formula Grants		<u>504,274</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>504,274</u>
Reduction in congestion		504,274					504,274
Job Access and Reverse Commute Program	<u>0</u>	<u>154,420</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>154,420</u>
Increased access for all Americans		154,420					154,420
New Freedom Program		<u>86,614</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>86,614</u>
Increased access for all Americans		86,614					86,614
Alternative Transportation in Parks and Public Lands	<u>0</u>	<u>24,872</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,872</u>
Reduction in congestion		24,872					24,872
National Transit Database	<u>0</u>	<u>3,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,500</u>
Reduction in urban congestion		3,500					3,500
Alternatives Analysis Program	<u>0</u>	<u>24,997</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,997</u>
Reduction in urban congestion		24,997					24,997
Over-the-Road-Bus Program	<u>0</u>	<u>8,299</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,299</u>
Increased access for all Americans		8,299					8,299

<u>Appropriation/ Program Activity/ Performance Goal</u>	<u>Safety</u>	<u>Reduced Congestion</u>	<u>Global Conn.</u>	<u>Environ. Steward.</u>	<u>Security</u>	<u>Org. Excellence</u>	<u>Total</u>
Oversight	<u>4,150</u>	<u>50,920</u>	<u>0</u>	<u>300</u>	<u>1,706</u>	<u>3,145</u>	<u>60,221</u>
Reduction in transit-related deaths and injuries	4,150						4,150
Reduction in urban congestion		46,785					46,785
Increased access for all Americans		4,135					4,135
Reduced pollution effects of transit				300			300
Effective response to emergencies affecting transit					1,706		1,706
Achieved financial performance goals						2,845	2,845
Achieved E-government goals						300	300
<u>Capital Investment Grants</u>	<u>0</u>	<u>1,399,818</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,399,818</u>
New Starts	<u>0</u>	<u>1,385,820</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,385,820</u>
Reduction in urban congestion		1,385,820					1,385,820
Oversight	<u>0</u>	<u>13,998</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,998</u>
Reduction in urban congestion	0	13,998	0	0	0	0	13,998
<u>Research and University Research Centers</u>	<u>7,620</u>	<u>46,700</u>	<u>700</u>	<u>3,750</u>	<u>1,800</u>	<u>430</u>	<u>61,000</u>
National Research Programs	<u>7,620</u>	<u>26,100</u>	<u>700</u>	<u>3,750</u>	<u>1,800</u>	<u>430</u>	<u>40,400</u>
Reduction in transit-related deaths and injuries	7,620						7,620
Reduction in urban congestion		17,650					17,650
Increased access for all Americans		8,450					8,450
Reduced barriers to trade in transit goods and			700				700
Reduced pollution effects of transit				3,750			3,750
Effective response to emergencies affecting transit					1,800		1,800
Achieved competitive sourcing goals						160	160
Achieved E-government goals						270	270
Transit Cooperative Research	<u>0</u>	<u>9,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,300</u>
Reduction in urban congestion		9,300					9,300
National Transit Institute	<u>0</u>	<u>4,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,300</u>
Reduction in urban congestion		4,300					4,300
University Centers Program	<u>0</u>	<u>7,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,000</u>
Reduction in urban congestion		7,000					7,000
TOTALS	12,816	8,948,322	999	387,178	46,608	26,090	9,422,013
FTE (direct funded only)	7	429	2	5	4	70	517

EXHIBIT II-4
FY 2008 BUDGET REQUEST BY APPROPRIATION ACCOUNT
FEDERAL TRANSIT ADMINISTRATION
Budget Authority
(\$000)

ACCOUNTS	FY 2006 Actual	FY 2007 Continuing Resolution 1/	FY 2007 Pres. Budget	FY 2008 Request
1. Administrative Expenses	79,200	79,200	85,000	89,300
2. Research and University Research Centers 2/	<u>74,448</u>	<u>65,100</u>	<u>61,100</u>	<u>61,100</u>
National Research Program (Section 5314)	54,351	44,400	40,400	40,400
Transit Cooperative Research (Section 5313)	8,910	9,300	9,300	9,300
National Transit Institute (Section 5315)	4,257	4,300	4,300	4,300
University Centers Program (Section 5506)	6,930	7,000	7,000	7,000
<i>[Permanent Indefinite Authority]</i>	----	100	100	100
3. Capital Investment Grants	<u>1,440,682</u>	<u>1,548,240</u>	<u>1,466,000</u>	<u>1,399,818</u>
New Starts (Section 5309)	1,440,682 3/	1,548,240	1,466,000	1,399,818
4. Formula and Bus Grants	<u>8,277,887</u> 4/	<u>7,190,147</u>	<u>7,234,114</u>	<u>7,872,893</u>
Urbanized Area Formula Grants (Section 5307)	4,993,628	3,907,829	3,947,302	4,280,315
Fixed Guideway Modernization (Section 5309)	1,377,090	1,433,520	1,448,000	1,570,000
Bus and Bus Facility Grants (Section 5309)	859,800	846,945	855,500	927,750
Over-the-Road Bus Accessibility Program (Section 3038 TEA-21)	7,425	7,524	7,600	8,300
Clean Fuels Grant Program (Section 5308)	17,607	44,550	45,000	49,000
Planning Programs (Section 5305)	119,324	98,010	99,000	107,000
Formula Grants for Special Needs for Elderly Individuals and Individuals with Disabilities (Section 5310)	175,312	115,830	117,000	127,000
Formula Grants for Other Than Urbanized Areas (Section 5311)	466,482	462,204	466,873	506,528
Job Access and Reverse Commute Formula Program (Section 5316)	136,620	142,560	144,000	156,000
New Freedom Program (Section 5317)	77,220	80,190	81,000	87,500
National Transit Database (Section 5335)	3,465	3,465	3,500	3,500
Alternatives Analysis Program (Section 5339)	24,750	24,750	25,000	25,000
Alternative Transportation in Parks and Public Lands (Section 5320)	21,780	22,770	23,000	25,000
Cancellation of FY 2007 Unobligated Balances	----	----	(28,661)	----
Transfer of unobligated Balances	(2,617)			
TOTALS:	<u>9,872,217</u> 4/	<u>8,882,687</u>	<u>8,846,214</u>	<u>9,423,111</u>
[Mandatory]	8,277,887	7,262,875	7,262,875	7,872,993
[Discretionary]	1,594,330	1,619,812	1,583,339	1,550,118

1/ FY 2006 reflects enacted budget and rescission of 1 percent pursuant to P.L.109-148 Div B, Title III, Chapter 8, sec. 3801.

2/ Research and University Research Centers includes the \$100,000 in Indefinite Appropriation Authority in FY 2007 and FY 2008 for the International Mass Transportation Program.

3/ Does not include \$47 million transferred from Formula and Bus Grants, P.L. 109-115.

4/ Includes \$1.38 billion in "flex funds" transferred from the Federal Highway Administration.

NOTE: Some totals may not add due to rounding.

EXHIBIT II-5
RESOURCE SUMMARY - FINANCING
FEDERAL TRANSIT ADMINISTRATION
OUTLAYS
(\$000)

APPROPRIATION TITLE	FY 2006 Actual	FY 2007 Continuing Resolution	FY 2007 Pres. Budget	FY 2008 Estimate
Administrative Expenses	78,975	83,049	84,452	88,290
Formula Grants	3,322,202	2,463,825	2,415,634	1,504,528
University Transportation Research	1,731	5,882	5,889	5,329
Research and University Research Centers	177,180	98,360	129,800	96,089
Job Access and Reverse Commute	94,923	103,360	95,324	64,508
Capital Investment Grants	3,024,987	3,349,645	3,235,321	2,904,557
Research, Training and Human Resources	0	142	267	261
Interstate Transfer Grants - Transit	-18,878	1,803	1,448	1,416
Washington Metropolitan Area Transit Authority	4,255	1,216	2,130	824
Miscellaneous Expired Accounts	0	394	355	285
Formula and Bus Grants (TF)	1,860,156	4,073,903	3,118,796	5,759,388
Discretionary Grants (TF)	91,961	52,791	67,182	39,593
TOTAL, OUTLAYS	8,637,492	10,234,369	9,156,598	10,465,068
LIQUIDATING CASH APPROPRIATIONS:				
Formula and Bus Grants	1,500,000	4,660,000	3,925,000	6,885,000

EXHIBIT IL-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
FEDERAL TRANSIT ADMINISTRATION
 Appropriations, Obligation Limitations, and Exempt Obligations
 (\$000)

ADMINISTRATIVE EXPENSES

	2007 Request	2007 F.C.&B By Program	2007 # FTE Per Program	2007 Contracts Expenses	FY 2007 Pay Raises 2.2%	FY 2008 Pay Raises 3.0% 1/	GSA Rent	WCF Increases/ Decreases	Inflation/ Deflation	FY 2007 Adjusted Base	Program Increases/ Decreases	2008 F.C.&B By Program	2008 # FTE Per Program	2007 Contract Expense Program Increases	FY 2008 Request
OPERATIONS															
PERSONNEL RESOURCES	531									531	(14)				517
Direct FTE	531									531	(14)				517
FINANCIAL RESOURCES															
Personnel Compensation & Benefits	\$62,554	\$62,554	\$118		\$329	\$2,355		\$136	280	\$65,654	(\$2,324)	\$63,330	\$122		\$63,330
Travel	1,400								31	1,431	73				1,504
Transportation of Things	31									31	0				31
Rent (GSA and Other)	6,517						182			6,699	0				6,699
Communications & Utilities 3/	48									48	0				48
Printing	253									253	0				253
Other Services:															
WCF	2,594							577		3,171	0				3,171
Other	1,989								44	2,033	972				3,005
Supplies & Materials	290									290	0				290
Equipment 3/	127									127	0				127
Subtotal	75,803				329	2,355	182	713	355	79,737	(1,279)				78,458
PROGRAMS															
Information Technology 2/3/	9,197							1,765	115	11,077	(235)				10,842 3/
Subtotal	9,197				0	0	0	1,765	115	11,077	(235)			0	10,842
Total: Limitation	85,000				329	2,355	182	2,478	470	90,814	(1,513)			0	89,300
Govt-wide E-gov initiative	0									0	0				0
GRAND TOTAL	\$85,000				\$329	\$2,355	\$182	\$2,478	\$470	\$90,814	(\$1,513)				\$89,300

1/ Includes funding for two additional pay days in FY 2008.

2/ Includes TEAM, the Delphi accounting system, other financial systems, and IT security.

EXHIBIT II-7

DEPARTMENT OF TRANSPORTATION
 FEDERAL TRANSIT ADMINISTRATION
 PERSONNEL RESOURCE -- SUMMARY
 FULL-TIME EQUIVALENTS (FTE) -TOTAL

<u>DIRECT FUNDED BY APPROPRIATION</u>	<u>FY 2006 Actual</u>	<u>FY 2007 CR Budget</u>	<u>FY 2007 Pres. Budget</u>	<u>FY 2008 Request</u>
Administrative Expenses	496	502	531	517
Capital Investment Grants	9	10	10	10
TOTAL FTEs	505	512	541	527

EXHIBIT II-9

DEPARTMENT OF TRANSPORTATION
 FEDERAL TRANSIT ADMINISTRATION
 RESOURCE SUMMARY - STAFFING
 FULL-TIME PERMANENT POSITIONS

<u>DIRECT FUNDED BY APPROPRIATION</u>	<u>FY 2006 Actual</u>	<u>FY 2007 CR Budget</u>	<u>FY 2007 Pres. Budget</u>	<u>FY 2008 Request</u>
Administrative Expenses	550	550	563	550
Capital Investment Grants	13	13	13	13
TOTAL POSITIONS	563	563	576	563

GENERAL PROVISIONS

SEC. 140. The limitations on obligations for the programs of the Federal Transit Administration shall not apply to any authority under 49 U.S.C. 5338, previously made available for obligation, or to any other authority previously made available for obligation.

SEC. 141. Notwithstanding any other provision of law, any funds made available by this Act under “Federal Transit Administration, Capital investment grants” and any funds made available by this Act for bus and bus facilities under “Federal Transit Administration, Formula and Bus Grants” not obligated by September 30, 2010, and other recoveries, shall be made available for other projects under 49 U.S.C. 5309.

SEC. 142. Notwithstanding any other provision of law, any funds appropriated before October 1, 2007, under any section of chapter 53 of title 49, United States Code, that remain available for expenditure may be transferred to and administered under the most recent appropriation heading for any such section.

SEC. 143. During fiscal years 2008 and 2009, each Federal Transit Administration grant for a project that involves the acquisition of rehabilitation of a bus to be used in public transportation shall be for 100 percent of the net capital costs of a factory-installed or retrofitted hybrid electric propulsion system and any equipment related to such a system: Provided, That the Secretary shall have the discretion to determine, through practicable administrative procedures, the costs attributable to the system and related-equipment.

*SEC.144. Project Management Oversight Limitations.
Section 5327(c) of title49, United States Code, is amended -
(1) by adding at the end of paragraph (1) the following:*

“(G) 1 percent of the amounts to carry out section 5314.

(H) 1 percent of the amounts to carry out section 5316.

(I) 1 percent of the amounts to carry out section 5317.”;

(2) in paragraph (2)(B) by striking ” sections 5305, 5307, 5309, 5310, 5311, and 5320” and inserting “this chapter”; and

(3) in paragraph (2)(C) by inserting “and enforcement necessary” after “assistance”.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109–289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Section 3. Request by
Appropriation Account

Administrative
Expenses

Federal Funds

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the Federal Transit Administration's programs authorized by chapter 53 of title 49, United States Code, \$89,300,000: Provided, That of the funds in this Act available for the execution of contracts under section 5327(c) of title 49, United States Code, \$2,000,000 shall be reimbursed to the Department of Transportation's Office of Inspector General for costs associated with audits and investigations of transit-related issues, including reviews of new fixed guideway systems.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109–289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
ADMINISTRATIVE EXPENSES**

Program and Financing (in millions of dollars)

Identification code : 69-1120-0-1-401		2006	2007	2008
		Actual	Est.	Est.
Obligations by program activity:				
00.01	Direct program.....	78	79	89
09.01	Reimbursable program.....	1	...	...
10.00	Total new obligations.....	79	79	89
Budgetary resources available for obligation:				
22.00	New budget authority (gross).....	80	79	89
23.95	Total new obligations.....	-79	-79	-89
23.98	Unobligated balance expiring or withdrawn	-1	...	...
New budget authority (gross), detail:				
Discretionary				
40.00	Appropriation.....	80	79	89
40.35	Appropriation permanently reduced (P.L. 109-148).....	-1	...	...
43.00	Appropriation (total discretionary).....	79	79	89
Spending authority from offsetting collections:				
58.00	Offsetting collections (cash).....	...	1	...
58.10	Change in uncollected customer payments from Federal sources (unexpired)	1	-1	...
58.90	Spending authority from offsetting collections (total discretionary).....	1	...	...
70.00	Total new budget authority (gross).....	80	79	89
Change in obligated balances:				
72.40	Obligated balance, start of year.....	13	12	8
73.10	Total new obligations.....	79	79	89
73.20	Total outlays (gross).....	-79	-84	-88
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-1	1	...
74.40	Obligated balance, end of year	12	8	9
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority.....	70	71	80
86.93	Outlays from discretionary balances.....	9	13	8
87.00	Total outlays (gross).....	79	84	88

(Continued on next page)

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
ADMINISTRATIVE EXPENSES**

Program and Financing (in millions of dollars)
(Continued from previous page)

Identification code : 69-1120-0-1-401	2006 Actual	2007 Est.	2008 Est.
Offsets:			
Against gross budget authority and outlays:			
88.00			
Offsetting collections (cash) from: Federal sources .....	...	-1	...
Against gross authority only:			
88.95			
Change in uncollected customer payments from Federal sources (unexpired)	-1	1	...
Net budget authority and outlays:			
89.00			
Budget authority.....	79	79	89
90.00			
Outlays.....	79	83	88

ADMINISTRATIVE EXPENSES

PROGRAM AND PERFORMANCE

For 2008, \$89 million is requested to fund the personnel and other support costs associated with management and direction of FTA programs. FTA continues to focus on the President's Management Agenda and remains committed to continuing efforts to increase efficiency and productivity within available staffing resources, and to improve the services offered to its customers. FTA has been a leader in the Department in implementing on-line access including the Transportation Electronic Award and Management system that provides on-line access to grantees for grant awards and disbursements.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
ADMINISTRATIVE EXPENSES**

Object Classification (in thousands of dollars)

Identification code : 69-1120-0-1-401	2006 Actual	2007 Est.	2008 Est.
Direct obligations:			
Personnel Compensation:			
11.1	43,155	44,427	48,448
11.3	932	1,106	1,037
11.5	823	191	754
11.9	44,910	45,724	50,239
12.1	10,719	11,599	13,091
21.0	1,501	1,212	1,504
22.0	80	48	31
23.1	5,620	5,915	6,484
23.2	166	176	215
23.3	1,923	771	771
24.0	578	203	253
25.2	11,688	13,226	16,084
26.0	456	198	290
31.0	468	128	338
99.0	78,108	79,200	89,300
99.0	361	500	500
99.9	78,469	79,700	89,800

**DEPARTMENT OF TRANSPORTATION
 FEDERAL TRANSIT ADMINISTRATION
 ADMINISTRATIVE EXPENSES**

Personnel Summary

Identification code : 69-1120-0-1-401	2006 Actual	2007 Est.	2008 Est.
Direct:			
Total compensable workyears: Full-time equivalent employment.....	496	502	517

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

ADMINISTRATIVE EXPENSES
Appropriation Summary by Program Activity
(\$000)

	FY 2006 Actual 1/	FY 2007 Continuing Resolution	FY 2007 President's Budget	FY 2008 Request	'07 to '08 Change	'07 to '08 Change, %
Personnel						
Compensation & Benefits	\$55,629	\$57,323	\$62,554	\$63,330	\$776	1.2%
Travel	1,501	1,212	1,400	1,504	104	7.4%
Transportation of Things	81	48	31	31	0	0%
Rent (GSA and Other)	5,786	6,091	6,517	6,699	182	2.8%
Communications & Utilities	1,923	771	771	771	0	0%
Printing & Reproduction	578	203	253	253	0	0%
Other Services 1/	12,780	13,226	12,846	16,084	3,238	25.2%
Supplies & Materials	456	198	290	290	0	0%
Equipment	468	128	338	338	0	0%
Total - Administrative Expenses	\$79,200	\$79,200	\$85,000	\$89,300	\$4,300	5.1%
FTEs	517	502	531	517	-14	-2.6%

1/Reflects total appropriated funds, amounts that remained unobligated have been added to Other Services.
Actual includes funding for 496 FTE.

Program and Performance Statement:

The Federal Transit Administration (FTA) requests \$89.3 million in FY 2008, an increase of \$4.3 million over the FY 2007 President's Budget. The FY 2008 budget request fully funds salary and benefit costs for 517 full-time equivalent (FTE) work-years of effort, contractual services, rent, travel, information technology (IT) requirements, and all other administrative expenses. Eighty-five percent of the funding requested in FY 2008 covers employee salaries and benefits, rent, communications, building security, and other essential services. Another five percent covers IT systems, including the Transportation Electronic Award and Management grant-making system, the Delphi accounting system, and the Electronic Clearing-House Operation payment system. The remaining ten percent covers travel, training, printing, supplies, and equipment.

ADMINISTRATIVE EXPENSES
SUMMARY ANALYSIS OF CHANGE FROM FY 2007 TO FY 2008
(\$000)

	Change From FY 2007 to 2008	FY 2008 PC&B by Program	FY 2008 FTEs by Program	FY 2008 Contract Expenses	Total
FY 2007 Base					
Administrative Expenses Appropriations, Obligation Limitations, and Exempt Obligations					85,000
Adjustments to Base					
Personnel Compensation & Benefits	3,100				3,100
Travel/Transportation of Things	104				104
Rent (GSA and Other)	182				182
Other Services	265				265
Other Services (IT)	791				791
Subtotal, Adjustments to Base	4,442				4,442
New or Expanded Programs					
Personnel Compensation & Benefits	-2,324				-2,324
Other Services	1,328				1,328
Other Services (IT)	854				854
Subtotal, New or Expanded Programs	-142				-142
Total FY 2008 Request	4,300				89,300

Detailed Justification for Personnel Compensation and Benefits:

Personnel Compensation and Benefits	FY2008 Request: \$63,330,000
Overview:	
<p>FTA requests \$63.3 million to fully fund 517 FTEs and to carry out its mission. The agency provides leadership, policy guidance, and technical and financial assistance that promotes safe, secure, and technologically advanced public transportation systems. Public transportation increases mobility for tens of millions of Americans, improves communities, conserves energy, helps protect the natural environment, and strengthens our Nation's economy.</p> <p>FTA realigned its workforce to create an appropriate job-skill mix that meets the transit needs of the future. To address the agency's human capital challenges, the Administrator established "Attract and Retain the Best Employees" as the first goal of the FTA Strategic Business Plan. FTA is implementing an aggressive recruitment strategy to "market" the agency to prospective employees in the Federal and private-sectors, to streamline the hiring process, and to target new talent in four understaffed core occupations. FTA's recruitment strategy includes a variety of incentives including, student loan repayment, telecommuting,</p>	

and alternative work schedules.

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in FTA's FY 2007 President's Budget Request.

Anticipated FY 2007 Accomplishments:

- To realign office staffing levels to meet the increased workload demands of the Safe, Affordable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU). Implementing SAFETEA-LU has required over 60 products, including 17 regulations, 19 reports, and 29 program guidance documents. FTA developed a prioritized list of these products and identified 12 as first-priority items. Delivery of these top-priority items on time is one of FTA's annual goals for evaluating the performance of its senior executives.
- To align employee performance agreements with the Department's Strategic Plan and to make meaningful distinctions in levels of performance, so that superior performance is recognized and rewarded and that action is taken to address poor performance.
- To continue an aggressive recruitment strategy that markets FTA to prospective employees in the Federal Government and private sector, streamlines the hiring process, and targets new hires in four core occupations that are understaffed. In the last two years, FTA has hired 15 Presidential Management Fellows (PMF), five Career Residency Program Participants (a Department intern program similar to the Office of Personnel Management's PMF program), and two Outstanding Scholars for key occupations throughout the Agency.
- To continue developing employee skills via the Government Online Learning Center (GO LEARN), formerly the Transportation Virtual University. GO LEARN (<http://www.golearn.gov/>) has approximately 40 courses that are available, at no cost, to employees government-wide. GO LEARN courses are accredited upon completion and may be applied in some cases to a bachelors or masters degree at area colleges or universities. To date, 147 FTA employees have taken one or more courses.

FY 2008 Budget Request:

FTA requests \$63.3 million to fully fund salaries and benefits, overtime, employee awards, relocation expenses related to a permanent change of station, and transit benefit payments. The FY 2008 budget request provides for the personnel and contracting resources necessary to implement the five, core government-wide initiatives included in the President's Management Agenda (PMA). While addressing the five PMA initiatives requires sustained effort, significant progress has been made during the past year in certain areas. The actions necessary to "Get to Green" on the PMA scorecard kept by the Office of Management and Budget have been integrated into FTA's Annual Performance Plan and are woven into every facet of its operations. FTA's goal is to achieve and maintain green ratings on all five initiatives during FY 2007.

Explanation of Funding Changes for Personnel Compensation and Benefits:

Personnel Compensation and Benefits	\$776,000
<p>Overview: An increase of \$3,100,000 is requested in FY 2008 to cover additional costs related to employee personnel compensation and benefits. Additional costs include: \$1,664,000 for statutory pay raises of 2.2% and 3.0% in FY 2007 and FY 2008, respectively; \$548,000 for promotions and within-grade step increases; \$280,000 for inflationary increases; \$472,000 for two additional pay days in FY 2008; and \$136,000 for employee transit benefits paid through the Working Capital Fund. These additional costs are partially offset by a decrease of \$2,324,000 to reflect FTA’s reduced FY 2008 FTE level of 517 (versus 531 in the FY 2007 President’s Budget) and other personnel initiatives to ensure FTA’s staff includes the appropriate skill-mix to meet the challenges ahead. The net, requested increase is \$776,000.</p> <p>FTA will continue to hire the most qualified candidates from a nationwide announcement rather than limiting hires to the local commuting areas. FTA’s Annual Performance Plan ensures that current employees focus on results that matter for our customers. In FY 2003, FTA implemented a performance accountability pilot program for its senior executives to measure specific results in transit ridership, transit system security readiness, project management and oversight, and grants management. FTA’s senior executives are also evaluated with regard to common accountabilities related to leadership, human resource management and diversity, and the President’s Management Agenda.</p>	

Detailed Justification for Rent (GSA and Other):

Rent (GSA and Other)	FY 2008 Request: \$6,699,000
<p>Overview: This budgetary item requests funds for payment to the General Services Administration (GSA) for rent and rent related services of the DOT headquarters building located at 1200 New Jersey Avenue, SE, Washington, DC. In addition, these resources fund space in 10 Regional Offices nationwide and associated metropolitan offices. Rent payments also cover additional physical security improvements required by the Department of Homeland Security, including securing entrances to buildings and parking facilities.</p>	
<p>FY 2007 Base: Budgetary resources in this justification are at the same level as the President’s FY2007 Budget submission to Congress.</p>	
<p>FY 2008 Budget Request: The DOT headquarters building located at 1200 New Jersey Avenue, SE, Washington, DC will be ready for occupants during the second or third quarter of FY 2007. Payment will be</p>	

made to the General Services Administration (GSA.) In addition, these resources fund space in 10 Regional Offices nationwide and associated metropolitan offices.

Explanation of Funding Changes for Rent (GSA and Other):

Rent (GSA and Other)	\$182,000
Overview: The \$182,000 increase in rent payments covers both headquarters and the regions for the General Services Administration and non-GSA managed facilities. Rental payments include additional charges for physical security improvements required by a Department of Homeland Security Presidential directive (HSPD-12) to secure buildings and parking facilities.	

Detailed Justification for Travel and Transportation of Things:

Travel and Transportation of Things	FY 2008 Request: \$1,535,000
Overview: Funding for travel is essential to cover government business related trips to oversee grants, for outreach to the transit industry to explain new regulations and program guidance, and for industry training. In addition, limited costs associated with moving household goods related to permanent change of station (PCS), when mandated by Federal regulations, are also covered in this request.	
FY 2007 Base: Budgetary resources in this justification are at the same level as in the President's FY 2007 Budget submission to Congress.	
Anticipated FY 2007 Accomplishments: <ul style="list-style-type: none"> • On-site Project Management Oversight meeting to ensure new starts projects in final design and under construction are on time and on budget. • Participation in mandatory Triennial Reviews of at least 160 grantees nationwide annually to assess compliance with Federal and administrative requirements of receiving Federal grant assistance. • Participation in State Grant Management forums to discuss federal requirements and changes in Federal policy, particularly as it relates to SAFETEA-LU. • Conduct of State and Metropolitan Planning reviews. • Inter-modal facilities and safety program activities with the Federal Railroad Administration (FRA), the National Highway Traffic Safety Administration (NHTSA), and Federal Highway Administration (FHWA). 	

Explanation of Funding Changes for Travel and Transportation of Things:

Travel and Transportation of Things	\$104,000
<p>Overview: An increase of \$104,000 will allow FTA to better meet the growing requirements of providing technical guidance and oversight of all aspects of the Federal Transit Program. FTA is required to be on-sight to carry out planning certifications, triennial reviews, project management oversight and financial management oversight; participate in conferences; and provide grant making assistance to over 640 grantees in urban areas and an estimated 1,300 rural transit providers nationwide. Additional funding will help FTA conduct the reviews necessary to perform the business of the agency. Funds are necessary to cover inflationary costs of air travel, airline fees and costs due to higher fuel prices.</p>	

Detailed Justification for Communications and Utilities:

Communications and Utilities	FY 2008 Request: \$771,000
<p>Overview: Funding for telecommunications includes a wide variety of activity from messenger directory service to local and long distance communication services, including network infrastructure upgrades, voice/wireless services, consolidated server services and standardized and secure e-mail. This includes pagers, blackberries and personal communication devices, paid through the Department's WCF by the agency. The funding will also cover all USPS cost incurred by field offices and FedEx costs incurred by Headquarters offices/staff as well as under the WCF.</p>	
<p>FY 2007 Base: Budgetary resources in this justification are at the same level as the President's FY2007 Budget submission to Congress.</p>	
<p>Anticipated FY 2007 Accomplishments:</p> <ul style="list-style-type: none"> • FTA reviewed all telecommunications costs to validate the sources of costs, and identified opportunities for future cost avoidance or improvement in services. • FTA improved on-line disbursements to provide more timely payments, and maintain the 24-hour processing turnaround time for requests made before 12:00 noon. • Expand Electronic Commerce agency-wide to reduce purchase time and acquisition costs by opening up competition, simplifying procurement, and increasing the use of credit cards for small purchases. 	
<p>FY 2008 Budget Request: The increase in funding for telecommunications is minimal. The services required include messenger directory service, local and long distance services, network infrastructure</p>	

upgrades, voice/wireless services, consolidated server services and standardized and secure e-mail. The funding also covers all U.S. Postal Service costs incurred by field offices and express mail (i.e., FedEx) costs incurred by Headquarters offices/staff.

Telecommunication includes support of FTA business operations, messenger & directory services, Local and Long Distance services, Network infrastructure upgrades, Voice/wireless services, Consolidated Server Services and Standardized and secure e-mail. Traditional Local and Long Distance services are being reduced as Voice and wireless services (blackberries, etc.) increase. This will cause a shift in charges from FTA's direct resources to services covered by the Working Capital Fund. Even though efficiencies and savings are envisioned under consolidated services in the new DOT Headquarters building, expanded use of communications such as, video-conferencing facilities will generate additional costs to be shared by the modal agencies.

Detailed Justification for Printing and Reproduction:

Printing and Reproduction	FY 2008 Request: \$253,000
Overview:	
Funding for printing & reproduction is required to cover FTA's day-to-day operations and cover costs associated with printing Federal Register publications, agency budget submissions, the Annual New Starts Report to Congress, as well as other publications required by FTA. This request includes FTA direct funded printing and printing services funded under the Department of Transportation Working Capital Fund.	
FY 2007 Base:	
Budgetary resources in this justification are at the same level as the President's FY2007 Budget submission to Congress.	
Anticipated FY 2007 Accomplishments:	
<ul style="list-style-type: none"> • FY 2008 Annual New Starts Report to Congress • FY 2008 Budget Submission to Congress • FY 2009 Budget Submission to the Office of the Secretary, and the Office of Management and Budget • Federal Register Announcements for funding allocations, rulemakings and announcements of policy changes required by SAFETEA-LU. • Publication of key information, including guidance, tables outlining the changes in programs and policies required by SAFETEA-LU. 	
FY 2008 Budget Request:	
Printing and reproduction costs have decreased since passage of SAFETEA-LU. FTA anticipates providing guidance and technical assistance to our grantees, the transit industry	

and the transit riding public through a multi-media approach, including using electronic mail (e-mail). Federal Register announcements will be necessary due to changes in programs, increased rule-making and notifications of policy changes.

Printing and graphic expenses do not increase in FY 2008 as the 17 regulations, 19 reports, and 29 program guidance document required by SAFETEA-LU are completed. FTA plans to use a multi-media approach to distribute material to our grantees, the transit industry and the transit riding public, including using electronic mail (e-mail).

Detailed Justification for Other Services:

Other Services – Total	FY2008 Request: \$16,084,000
Overview:	
Other Services encompasses primarily information technology and departmental support services covered by the Department’s Working Capital Fund. In addition, other services funds Human Resource training and program related contractual services. FTA has restructured the budget presentation to include all of the WCF under other services, rather estimating future charges against multiple object classes. Therefore, the Other Services object class has increased significantly.	
Other Services – Non-Information Technology	FY2008 Request: \$6,176,000
Overview:	
The FY 2008 budget requests \$379,000 for training and career enhancement for employees, including honors attorneys. These funds provide the opportunity to receive skill-enhancing instruction. Besides training and career development, \$627,000 will support essential service to DOT employees such as the DOT Drug and Alcohol Office, support for the Department’s security initiatives, Personnel Change in Station (PCS), and other maintenance and support functions outside of the WCF. In addition, \$3,172,000 will be paid to the WCF (centrally managed administrative services) to provide building maintenance, utilities, and building security.	
In an effort to standardize and improve the financial management and reporting functions within the Department, the Department has established a facility for centralizing accounting operations at the Enterprise Services Center (ESC) in Oklahoma City, Oklahoma. FTA will begin to transition accounting operations to the ESC during FY 2007. A total of \$1,998,000 will assist in Improving Financial Performance and implementing OMB A-123 requirements, including services provided by the Enterprise Services Center.	
FY 2007 Base:	
Budgetary resources in this justification are at the same level as the President’s FY2007 Budget submission to Congress.	

Anticipated FY 2007 Accomplishments:

- FTA will coordinate efforts concerning implementation, enforcement and compliance monitoring of the drug and alcohol rules.
- FTA plans to invest in human capital to enable FTA to recruit and retain the talented and diverse workforce essential to achieve the DOT and FTA strategic objectives.
- FTA will contribute to government-wide activities sponsored by the CFO Council, the CIO Council, the Federal Acquisition Council, and the Chief Human Capital Officers Council.
- FTA will evaluate the need to revise/update policies considering reviews, concurrences, and approvals in TEAM. FTA will issue new guidance and procedures. FTA's goal is to reach consistency across its 10 regional offices for application/documentation of requirements. FTA will use guidelines to be issued by OST's Office of Intelligence and Security for background investigations of contractors, and revise its guidelines.
- Finalize and distribute policies and procedures for compliance with the Single Audit Act, which 1) identify grantees with grant expenditures greater than \$500,000; 2) follow up with delinquent grantees who have not submitted Single Audit reports as required; 3) track and monitor Single Audit report receipt date from the Federal Clearinghouse/Grantees; 4) ensure finding memos are issued timely after reports are received; 5) ensure management decisions are issued within the timeframe required by the Act, which is 6 months after the receipts of the audit reports.
- Procured a "ready site" for disaster recovery operations in the event the DOT headquarters or a regional site is impacted or rendered uninhabitable for any significant amount of time. In addition, provided the requisite hardware and telecommunication infrastructure to support current disaster recovery operations information technology needs.
- The Department's working capital fund facilitates efficiencies by: 1) promoting greater program efficiency by placing service providers in the same organization; 2) allowing DOT to identify and eliminate redundancies; and 3) consolidates multiple administration functions into a single operational unit to improve service delivery, increase security and reduce costs.

Other Services – Information Technology

FY 2008 Request: \$9,908,000

Overview

FTA requests Information Technology and Security funding to convert remaining paper processes to an electronic process; to implement program interfaces to other systems; and to continue to develop the Web-enabled links to securely exchange solicitation documentation, performance data, cost/price/and technical proposals with contractors and evaluation data with FTA program personnel. FTA is working to create a citizen-centered Web presence and build E-government infrastructures in and across agencies. This will improve the

management and oversight of financial obligations, as well as increase the productivity of FTA personnel through electronic processing of grants and providing real-time grant status and information. Our E-government efforts to date have allowed FTA staff to shift their job focus from data entry to data analysis and monitoring of information, to more effectively manage Federal resources. These efforts have also benefited FTA grantees.

The Federal Information Security Management Act (FISMA) of 2002 provides a comprehensive framework for ensuring the effectiveness of information security controls over information resources that support Federal operations and assets. It requires agencies (i.e., FTA) to report annually to Congress and address the adequacy and effectiveness of information security policies, procedures, and practices in plans and reports relating to: annual agency budgets, information resources management, information technology management, program performance, financial management, financial management systems under the Federal Financial Management Improvement Act, internal accounting, and administrative controls under the Federal Managers Financial Integrity Act. FTA has made a concerted effort to identify the security risks of its Information Technology assets and follow FISMA to develop a corrective plan of action and milestones, and request funding in its annual budget submissions to mitigate the risks.

FY 2007 Base:

Budgetary resources in this justification are at the same level as the President's FY 2007 Budget submission to Congress.

Anticipated FY 2007 Accomplishments:

- FTA will evaluate the need to revise/update policies considering reviews, concurrences, and approvals in TEAM. FTA will issue new guidance and procedures. FTA's goal is to reach consistency across its 10 regional offices for application/documentation of requirements. FTA will use guidelines to be issued by OST's Security Office for background investigations of contractors, and revise its guidelines.
- FTA completed the upgrade of its ECHO front-end, grant payment system to a Web-enabled system. FTA completed the migration of applications to the DOTS platform, which supports Oracle DBMS and provides a higher level of security. FTA will implement adequate edits in ECHO or consider retiring the system and replace it with a more secure platform and update the systems security plan to address this issue
- FTA successfully completed the Certification and Accreditation (C&A) process for the ECHO, DOTS, TEAM, and NTD, working with the FY 2006 information security audit. This is a major accomplishment for FTA as the NTD is a mission-critical system in FTA's information technology (IT) enterprise architecture and completing the C&A before June 30, 2006, helped DOT get to "green" on the President's Management Agenda. The ECHO, DOTS, TEAM, and NTD are now re-certified for the next three years and comply with all Federal IT system requirements promulgated by the Office of Management and Budget (OMB) and DOT's Chief Information Officer (CIO). Meeting these requirements included conducting a system risk assessment, preparing a security plan, a contingency plan, a disaster recovery plan, a business impact analysis, a document

of life-cycle requirements, and stress tests for various systems.

- FTA recertified FTA's grants management system (i.e., TEAM), oversaw systems support for budget and payroll data requests, and managed the systems support for ECHO.
- FTA's ECHO system processor module used to make grant payments has been upgraded to an Oracle environment and migrated to our DOTS file server effective June 19, 2006.
- Transportation Electronic Award and Management (TEAM) system modifications, additional codes and new procedures required by SAFETEA-LU. In addition, a module to track earmarks was added to TEAM to aid in project management and tracking of over 750 projects and 900 earmarked projects, which integrates with the departmental Grants Notification System (GNS) used for Congressional release.
- Completed Phase 1 of a User Recertification, to successfully verify and certify over 5000 Recipient Users; and launched the Grants.gov Application portal which fully integrates funding opportunity publication and application with TEAM for discretionary grants program processing, which represents over 28 million in potential awards.
- FTA will continue to be fully cost accounted. FTA has successfully implemented agency-wide labor distribution reporting (LDR.) Obtaining labor-hours by project tasks will enable FTA management to quantify the amount of resources committed to projects and programs and determine the relative utilization to help in assigning workload, making staffing decisions and shifting program responsibilities. Metify ABM software integrates the labor hours with grant obligations reported from TEAM and costs obtained from the Delphi accounting system.
- FTA will take aggressive action (utilizing the Reimbursable Agreement (RA) portal) to track and reconcile DOT RAs. Place more emphasis on confirming receiver RA data when applicable. Follow up with other agencies and OST's Office of Financial Management to ensure that discrepancies are resolved. FTA will correct historical transactions, which contain incorrect trading partner codes.
- Finalize and distribute policies and procedures for compliance with the Single Audit Act, which: 1) identifies grantees with grant expenditures greater than \$500,000; 2) follow up with delinquent grantees who have not submitted Single Audit reports as required; 3) track Single Audit report receipt date from the Federal Clearinghouse/Grantees; 4) ensure finding memos are issued timely after reports are received; 5) ensure management decisions are issued within the timeframe required by the Act, which is 6 months after the receipts of the audit reports.
- Procured a "ready site" for disaster recovery operations in the event the DOT headquarters or a regional site is impacted or rendered uninhabitable for any significant amount of time. In addition, provided the requisite hardware to support current disaster recovery operations information technology needs.

FY 2008 Budget Request:

The Federal government can secure better services at lower cost through electronic government (E-government), and can meet high public demand for E-government services. This Administration's goal is to champion citizen-centered electronic government that will result in a major improvement in the Federal government's value to its citizens. FTA requests \$10.842 million for total Information Technology, including security projects. IT includes multiple expenditures from hardware, software, servers, network and communications systems to maintenance and Department consolidated HelpDesk services. IT services are contracted as Other Services and funded from Telecommunication and Equipment resources. The portion of IT under Other Services is \$9.908 million that funds major critical systems and will contribute to ensuring IT systems are secure. Funds in support of IT requested under Telecommunications total \$723 thousand, and \$211 thousand in equipment is also requested.

FTA recognizes that a sound technical foundation needs to be in place before E-Gov services can be offered reliably and effectively, both internally and externally to the public. We have built an infrastructure that supports an end-user's experience of reliable, electronic access to information and services within FTA and DOT, as well as external public and private resources accessed through the web.

In FY 2007, FTA will move into the new DOT Headquarters building. By migrating to the DOT Common Operating Environment (COE) and consolidating technology and support under DOT's IT Infrastructure, FTA will continue to strengthen its information and computer security and investment controls. The Office of Inspector General has previously cited weaknesses in security planning and management, access controls, business controls, system change controls, and business continuity planning. The Capital Planning and Investment Control process and Exhibit 300 Business Cases have identified shortfalls in information technology security investments. Increased funding proposed in the FY 2008 budget will address the deficiencies in the contingency planning process, and promote periodic and emergency security tests and evaluations to ensure that TEAM, and supporting network and communications systems provide reliable and continuous service to FTA's grantees.

The Clinger-Cohen Act of 1996 directs Federal agencies to develop a Capital Planning and Investment Control (CPIC) process to aid agency information technology (IT) decision-makers in making effective, efficient, and consistent IT investments that support organizational services and products. The CPIC process incorporates comprehensive business case and project management information to define the selection of IT projects, while outlining performance indices and measures, which forecast each project's return on investment (ROI). The CPIC process also requires heads of Federal agencies to link IT investments to agency strategic goals and accomplishments.

FTA has implemented the capital programming process in determining all long-term investments in capital assets in accordance with the requirements of the 1993 Government Performance and Results Act (GPRA), the Federal Managers Financial Integrity Act of 1982

(FMFIA), the Clinger-Cohen Act of 1996, and the Federal Information Security Management Act (FISMA). FTA has Investment Review Board (IRB) consisting of Executive level managers including the Chief Information Officer (CIO) and Chief Financial Officer (CFO).

The E-Government Initiatives funded by FTA under the President's Management Agenda (PMA) are described below and include subsequent benefits.

Government to Business Portfolio

- *Business Gateway (Managing Partner SBA)*
FTA requires grantees seeking different funding sources, i.e., bus, fixed guideway construction, formula grants and planning, to comply with the specific requirements and regulations governing the program resources. The Business.gov website can help these transit operators locate compliance information and to find the appropriate forms to file. Business.gov can provide an excellent avenue for the FTA to promote their grant programs for metropolitan and statewide planning; and urban, and rural capital resources. Business.gov can potentially be used for access to FTA research on best practices as well as available training for professionals. Business.gov can highlight FTA's plain language guidance for legal issues.
- *E-Rulemaking (Managing Partner EPA)*
The Office of the Secretary currently operates the Docket Management System (DMS) to electronically manage the regulatory and adjudication actions for all of the DOT sub-agencies. DMS is centrally managed by DMS staff, who in turn can forward questions to the appropriate agency, if issues arise. Once DOT implements the Federal Dockets Management System (FDMS), the subject matter experts will be much closer to the management of their individual dockets and their content. This should expedite the process and ensure the proper information is included or protected based on their unique knowledge of the issue supported.

FTA can take advantage of FDMS to manage its regulatory and associated actions. FTA can have varying amounts of regulatory and notice activities on average, but ensuring our proposals and other actions are widely available and the supporting documentation is accessible to the public and industry segments is an essential part of achieving our mission and FDMS can be an instrumental tool to serve this purpose.

Government to Government Portfolio

- *Geospatial One-Stop (GOS)(Managing Partner DOL)*
DOT is a major Federal producer/distributor and metadata contributor to Geospatial One-Stop (GOS). The Office of the Secretary enables other Federal agencies to both avoid costs and realize cost savings by making DOT geospatial data available through the GOS Portal. In addition, DOT helps to enhance overall Federal Spatial Readiness by making its large repository of current and historical data discoverable and accessible through the GOS Portal.

FTA is able to realize cost savings by not having to handle (i.e., process) individual requests for transit related data in an ad-hoc fashion. GeoData.gov provides one-stop

access to transportation geospatial data depicting the transportation system in the United States, and is provided by DOT/ Research and Innovative Technology Administration's (RITA's) Mapping Center.

- *Grants.gov (Managing Partner HHS)*

The Grants.gov Initiative benefits FTA by providing a single location to publish grant (funding) opportunities and application packages, as well as through providing a single site for the grants community to apply for grants using common forms, processes and systems. FTA derives its largest source of benefits from Grants.gov by not having to build a DOT system for collecting electronic grant applications. The FTA grants.gov portal was placed into production operation in 2006, and has successfully streamlined the processing for over 160 applications, to 12 transit funding programs. These applications have successfully been integrated into the Agency's grantmaking and project management system, TEAM.

Internal Efficiency and Effectiveness Portfolio

- *E-Payroll (Managing Partner OPM)*

DOT/ FTA is a customer of the National Business Center (NBC) for payroll services. FTA migrated to the Department's National Business Center because DOT decommissioned its legacy payroll systems, including the Consolidated Uniform Payroll System (CUPS), Integrated Personnel and Payroll System (IPPS), Consolidated Personnel Management Information System (CPMIS), and the HR and Payroll Data Repository Information System (DARIS) functions were taken over by NBC. As the NBC customer base continues to grow, FTA should realize the benefits of economies of scale in terms of a lower cost of payroll services per employee.

- *Integrated Acquisition Environment (IAE)(Managing Partner GSA)*

Through adoption of the tools and services provided by the IAE, FTA improves its ability to make informed and efficient purchasing decisions. IAE provides FTA purchasing officials access to databases of critical information from other agencies on vendor performance, facilitates the posting of procurement opportunities, the validation of vendors and the reporting of contract award information.

Cross-Cutting Portfolio

- *E-Authentication (Managing Partner GSA)*

The initiative benefits DOT/ FTA by providing E-Authentication expertise, guidance, and documentation, including project planning and reporting templates. The E-Authentication Federation allows DOT/ FTA to use identity credentials issued and managed by organizations within and outside the Federal Government, thereby relieving DOT/ FTA of much of the cost of providing its own identity management solutions.

Lines of Business

- *Financial Management Line of Business (FM LoB)(Managing Partners DOE and DOL)*

Transportation's Enterprise Service Center (ESC) is one of four (4) current Federal

Financial Management Centers of Excellence (COE). It services some small agencies and all of the DOT agencies including the FTA. The initiative benefits DOT and subsequently FTA by enabling us to leverage our information technology (IT) and financial processing expertise to provide financial management (FM) hosting and support services to additional Federal agencies. As the ESC's customer base continues to grow, FTA should realize the benefits of economies of scale in terms of a lower cost of processing per financial transaction.

- *Grants Management Line of Business (GM LoB)(Managing Partners HHS and NSF)*
This initiative benefits DOT and specifically the FTA by improving the delivery of services to grant recipients, improving decision-making and decreasing costs associated with building and maintaining Grants Management IT systems.
- *Human Resources Management Line of Business (HRM LoB)(Managing Partner OPM)*
Through DOT's adoption of an approved service provider, FTA can achieve the benefits of "best-in-class" Human Resources (HR) solutions without the costs of developing and maintaining its own HR systems. As DOT and subsequently FTA migrate to centrally managed HR systems, FTA should realize the benefits of economies of scale in terms of a lower cost of providing HR services per employee.

In addition, there are four (4) new Lines of Business recently announced under the E-Government Initiatives of the President's Management Agenda (PMA): 1) Case Management; 2) Budget Formulation and Execution; 3) Information Technology (IT) Security; and 4) Information Technology (IT) Infrastructure.

Our major capital asset plans and business cases that are reviewed on a quarterly basis include: General Support Services and Infrastructure, Financial Management Systems, Transportation Electronic Award and Management (TEAM) System and the National Transit Database.

The Information Technology chart below, summarizes major investments in capital assets, including other services, telecommunications and equipment:

**Federal Transit Administration
Information Technology
(\$000)**

PROGRAM PROJECT	FY 2006	FY 2007	FY 2008
GENERAL SUPPORT SYSTEMS: Contract Resources Telecommunications; IT Equipment (hardware/software), Information Technology	3,842	3,952	5,223
TRANSPORTATION ELECTRONIC AWARD MANAGEMENT SYSTEM (TEAM) 3/	3,000	3,179	3,249
NATIONAL TRANSIT DATABASE 1/	3,465	3,500	3,500
FINANCIAL MANAGEMENT SYSTEMS: Electronic Commerce; Financial Systems; DOTS/ECHO 3/	2,930	2,066	2,370
TOTAL 2/	13,237	12,697	14,342

1/ Included as program under Formula and Bus Grants beginning in FY 2006.

2/ Does not include New Starts Management Systems (Fast Track), Safety and Drug and Alcohol databases.

3/ Includes Security costs, but does not include costs associated with FTE (full time equivalents) reported as part of the Exhibit 300s.

Explanation of Funding Changes for Other Services - Information Technology:

Financial Systems **\$304,000**

Overview:

Financial Systems include Electronic Clearing-House Operations (ECHO), support for our accounting system and Delphi - FTA relies heavily on electronic information to process grant applications, execute awards, provide oversight, and post award management of grants through the TEAM system. Our grantees use FTA's ECHO system to submit on-line payment requests, which are electronically disbursed directly to their banks. The TEAM and ECHO systems interface with each other, the Department's accounting system, and other external information and financial systems, and therefore must maintain information security.

The accounting and electronic processing and payment services support not only FTA but, the Federal Aviation Administration's (FAA) grant programs. This system is necessary to meet the growing needs and demands of FTA and our customers, support and maintain existing financial management system processes, design and modify software applications to meet new requirements and customer service standards, and provide hardware back-up capability for contingency purposes.

Delphi – the Department has launched a new monitoring tool called the Delphi Dashboard. Using Oracle’s Balanced Scorecard tool, the Department has begun to track the OMB Performance Metrics as well as Fund Status for each Operating Administration (OA). In upgrades to the Department’s Delphi financial system are now providing monthly and year-end financial statements for each Operating Administration. FTA converted from the current Department Accounting Financial and Information System (DAFIS) to a new automated accounting system called Delphi in June 2002. However, with the recent FAA conversion, all DOT OAs have completed conversion to a state-of-the-art, COTS-based (commercial off the self software), JFMIP-certified, financial management system. The pro-rata share of FTA costs for the Delphi system increased in FY 2006 and FY 2007 due to the pull-out of former DOT agencies (Coast Guard and TSH) that have transferred to the Department of Homeland Security (DHS). In FY 2008, Delphi costs are estimated to increase by at least \$183,290 for FTA’s share of Delphi Oracle accounting software upgrades. FTA will allocate resources in support of associated Delphi costs, ensuring all necessary interfaces with FTA’s other mission-critical information technology systems are certified and linked to the department’s accounting system. In addition, in FY 2007 FTA will continue to operate the managerial cost accounting (MCA) system which will require lifecycle operations and maintenance and be integrated with the accounting financial systems.

Electronic Commerce (PRISM) - The Procurement Request Information System Management (PRISM) acquisition system provides technology that interfaces with agency accounting, payment and reporting systems in order to comply with the legislation and the Federal Acquisitions Regulation (FAR). This is DOT’s acquisition system of record even though each agency maintains and operates it own version of the software. When FTA moves to the new DOT Headquarters building in FY 2007, it is anticipated that all agencies will migrate to a common DOT software environment, with acquisition operations data maintained at the agency level. In FY 2008, funding will provide operations and maintenance for the PRISM acquisition system, and allow for new software modules to interface with other government-wide E-Gov systems. This E-Gov Integrated Acquisition Environment (IAE) reduces the time between identifying a need for a product or service and receiving it. Use of Electronic Commerce systems like PRISM has reduced the cost of acquisitions for the agency and the private sector by assembling requirements electronically, opening up competition opportunities, simplifying procurement, and maximizing the use of credit cards for small-purchases. The time-savings from this Electronic Commerce environment has provided more opportunities for contract specialists to meet with their agency customers and develop their advance acquisition plans.

Transportation Electronic Award and Management System (TEAM)	\$70,000
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Overview:

A minimal increase is required to continue operation and enhancement of TEAM. In FY 2008 FTA expects cost accounting modifications to continue to be made to TEAM to meet the requirements of the Financial SFA mandates. Higher FTA program funding and the number of new programs have increased the workload and number of awards being processed through TEAM. An increase in workload also includes an increase in the number of active users (1,000 in FY 1999 to an estimated over 7,000 in FY 2008). The user base is

growing by more the 900 new users per year. In FY 2006, FTA's grant projects were estimated at 2,546 with obligations of over \$11 billion. FTA projects the amount of information that will be stored online will also increase because the business process has transitioned from paper to electronic awards. TEAM supports the application, review, award, management, reporting, and closeout of FTA funds through all funding programs, and is the system of record for FTA funds, and the customers and projects to which they are awarded. It was designed to support many of the processes outlined in the President's e-Gov initiative for grantmaking: Apply, Review, Award, Report, Oversight, and Closeout, and additionally provides FTA budget tracking support for funding programs, interfaces with FTA accounting (Delphi) and other systems that manage details within the grants line of business (OTrak, GNS), and aligns seamlessly with the grants.gov Find and Apply processes.

The TEAM application and support staff maintain the highest level of service to FTA customers: FTA staff, other Federal employees, and most importantly, our grant and contract recipients. With a standard of 24 by 7 systems availability for access in 7 time zones, FTA must maintain an increased number of contract support staff on its use helpdesk to provide technical support and user training to continue to meet increasing demands. Because of the increase in the usage of the Web for the submission of applications for financial assistance, and the increase in the amount of information publicly available, FTA will have to make major enhancements to the TEAM infrastructure.

IT Consolidated Services, including Desktop Services (WCF)	\$1,765,000
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Overview:

FTA will move into the new DOT Headquarters building in third quarter FY 2007. The Department's Headquarters IT Consolidation will include desktop computers, printers, network, email, Helpdesk support, web links, IT security, infrastructure (e.g., servers, routers, switches, and firewalls) and telecommunications. Essentially this increase consolidates the Regional IT services including desktop computers, printers, network, email, Helpdesk support, web links, IT security, infrastructure (e.g., servers, routers, switches, and firewalls) and telecommunications.

Additional increases in directory and messaging services, network engineering, and Inter-modal Data Network (IDN). The IT Services IDN component supports network infrastructure, wide-area network and Internet connectivity within DOT headquarters and between DOT headquarters and other buildings housing DOT's employees in Washington, D.C. The IDN is the primary communications backbone to and among DOT organizations in the Washington, D.C. Metropolitan area. IDN has provided a secure and stable network environment, continually improving the technology, while minimizing customer cost increases over the past several years.

With the move to the new HQ Bldg, all new IT Data Network and Security Infrastructure equipment is being purchased to support the new HQ core network. This equipment will improve FTA's ability to prevent network intrusion attempts and unauthorized access to mission critical equipment. The IT Data Network and Security Infrastructure equipment for the new HQ Building is being purchased with funding appropriated to the New HQ Buildings

project and will be transferred to the WCF. This transfer will allow the WCF to depreciate the asset and refresh the equipment on a regular cycle.

Maintenance Development of Internal Systems - \$494,000

Overview:

FTA will move into the new DOT Headquarters building in FY 2007. The Department's Headquarters IT Consolidation will include desktop computers, printers, network, email, Helpdesk support, Web links, IT security, infrastructure (servers, routers, switches, firewalls, etc.) and telecommunications. This will dictate reductions in funding for internal systems.

This includes decreases in Regional IT services due to consolidation of desktop computers, printers, network, email, Helpdesk support, web links, IT security, infrastructure (e.g., servers, routers, switches, and firewalls) and telecommunications.

Explanation of Funding for Other Services - Non-Information Technology:

Enterprise Services Center – FAA Accounting Services \$1,328,000

Overview:

FTA will transition a portion of its accounting operations to the Enterprise Services Center in Oklahoma City beginning in FY 2007. Accounting operations defined in the agreement will be fully transitioned during FY 2008. The goal of the Department is to produce improved financial information and accounting services for the agency as a whole and has the potential to realize cost savings for each modal administration within the Department. Accounting operations being transitioned include:

- Accounting for Reimbursable Agreements
- Travel Authorization and Payments
- Commercial Payments
- Accounts Receivable
- General Accounting
- Other Accounting
- Financial Reporting and Analysis

Financial Management \$13,000

Overview:

The FTA Federal Managers Financial Integrity Act (FMFIA) Program was developed in FY 2005. The FTA FMFIA Program establishes formal procedures to identify, document, monitor, and assess the internal controls across the agency. Under the FTA FMFIA Program, major processes were categorized into sixteen assessable units. Assessable unit, a term used by the FTA FMFIA Program, refers to a major functional area within FTA. Below is a listing of FTA's assessable units including: procurement, Budget Formulation, Budget Execution, Cash Management, Cost Management, Financial Management Systems, General Ledger Management, Payroll Management, Human Resource Management, Management Information Systems, Payables Management, Receivables Management, Reporting

Management, Travel Management, Grants Programs and Grants Oversight.	
Working Capital Fund	\$577,000
Overview: The FY 2008 request also provides an increase for WCF facilities management services for the DOT Headquarters building and regional offices. These include increased charges for building maintenance and security.	
Other Services Reductions	- \$325,000
Overview: The Department's working capital fund facilitates efficiencies by: 1) promoting greater program efficiency by placing service providers in the same organization; 2) allowing DOT to identify and eliminate redundancies; and 3) consolidates multiple administration functions into a single operational unit to improve service delivery, increase security and reduce costs.	

Detailed Justification for Supplies and Materials:

Supplies and Materials	FY 2008 Request: \$290,000
Overview: Funding to cover office supplies for Headquarters and the regional offices.	
FY 2007 Base: Budgetary resources in this justification are at the same level as the President's FY2007 Budget submission to Congress.	

Detailed Justification for Equipment:

Equipment	FY 2008 Request: \$338,000
Overview: Funding in the amount of \$338,000 for equipment is needed to replace obsolete hardware and software at headquarters and the regions.	
FY 2007 Base: Budgetary resources in this justification are at the same level as the President's FY 2007 Budget submission to Congress.	
Anticipated FY 2007 Accomplishments: In FY 2005, FTA replaced desktop computers for all headquarters employees. The desktops were obsolete, many of which were over 8-years old, and had out-lived their useful life and had become expensive to maintain and posed a potential risk of "crashing" causing loss of valuable information. In addition, Regional Office printers, copiers, fax machines that	

breakdown frequently or are no longer repairable were replaced.

FY 2008 Budget Request:

In FY 2008, FTA will directly fund equipment needs to replace obsolete computer hardware and software in the Regional Offices. Information Technology equipment needs are estimated at \$211,000. Once employees in the Washington, DC area move to the New DOT building computer hardware and software replacement will be fully funded through the Working Capital Fund assessed by the IT Consolidated Services Group.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
FORMULA GRANTS**

Program and Financing (in millions of dollars)

Identification code : 69-1129-0-1-401		2006	2007	2008
		Actual	Est.	Est.
Obligations by program activity:				
Direct program				
00.01	Urban Formula Capital.....	1,976	390	145
00.02	Elderly and Disabled.....	13	4	...
00.03	Nonurban Formula.....	78	23	8
00.04	Over-the-Road Bus.....	6	3	...
00.05	Emergency Response Funds.....	2	3	...
09.00	Hurricane Katrina transportation.....	120	24	...
10.00	Total new obligations.....	2,195	447	153
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year.....	2,541	600	153
22.00	New budget authority (gross).....	144	...	...
22.10	Resources available from recoveries of prior year obligations.....	110	...	...
23.90	Total budgetary resources available for obligation.....	2,795	600	153
23.95	Total new obligations.....	-2,195	-447	-153
24.40	Unobligated balance carried forward, end of year.....	600	153	...
New budget authority (gross), detail:				
Discretionary				
Spending authority from offsetting collections:				
58.00	Offsetting collections (cash).....	54	...	...
58.10	Change in uncollected customer payments from Federal sources (unexpired).....	90	...	...
58.90	Spending authority from offsetting collections (total discretionary).....	144	...	...
Change in obligated balances:				
72.40	Obligated balance, start of year.....	6,177	4,796	2,780
73.10	Total new obligations.....	2,195	447	153
73.20	Total outlays (gross).....	-3,376	-2,463	-1,504
73.45	Recoveries of prior year obligations.....	-110	...	...
74.00	Change in uncollected customer payments from Federal sources (unexpired).....	-90	...	...
74.40	Obligated balance, end of year.....	4,796	2,780	1,429

(Continued on next page)

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
FORMULA GRANTS**

Program and Financing (in millions of dollars)
(Continued from previous page)

Identification code : 69-1129-0-1-401		2006	2007	2008
		Actual	Est.	Est.
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority.....	55	...	...
86.93	Outlays from discretionary balances.....	3,321	2,463	1,504
87.00	Total outlays (gross).....	3,376	2,463	1,504
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources.....	-54	...	...
Against gross authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-90	...	...
Net budget authority and outlays:				
89.00	Budget authority.....	...	...	...
90.00	Outlays.....	3,322	2,463	1,504

FORMULA GRANTS

PROGRAM AND PERFORMANCE

In 2008, funds requested for formula grants programs are included in the Formula and Bus Grants account and funded exclusively by the Highway Trust Fund. No new budget authority is requested in 2008 in this account.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
FORMULA GRANTS**

Object Classification (in thousands of dollars)

			2006	2007	2008
Identification code : 69-1129-0-1-401			Actual	Est.	Est.
Direct obligations:					
25.2	01	Other services.....	7,490	5,486	...
41.0	01	Grants, subsidies and contributions.....	2,068,217	418,361	152,952
			-----	-----	-----
99.0		Direct obligations.....	2,074,714	423,848	152,952
99.0		Reimbursable obligations.....	120,354	23,314	...
			-----	-----	-----
99.9		Total new obligations.....	2,195,068	447,161	152,952

DEPARTMENT OF TRANSPORTATION
 FEDERAL TRANSIT ADMINISTRATION
 UNIVERSITY TRANSPORTATION RESEARCH

Program and Financing (in millions of dollars)

Identification code : 69-1136-0-1-401		2006	2007	2008
		Actual	Est.	Est.
Obligations by program activity:				
00.01	Direct Program Activity	4	8	...
10.00	Total new obligations (object class 41.0).....	4	8	...
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year.....	10	8	...
22.00	New budget authority (gross).....	2	...	...
23.90	Total budgetary resources available for obligation.....	12	8	...
23.95	Total new obligations.....	-4	-8	...
24.40	Unobligated balance carried forward, end of year.....	8	...	...
New budget authority (gross), detail:				
Discretionary				
Spending authority from offsetting collections:				
58.00	Offsetting collections (cash).....	2	...	...
Change in obligated balances:				
72.40	Obligated balance, start of year.....	10	10	11
73.10	Total new obligations.....	4	8	...
73.20	Total outlays (gross).....	-4	-7	-6
74.40	Obligated balance, end of year.....	10	11	5
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority.....	2	...	...
86.93	Outlays from discretionary balances.....	2	7	6
87.00	Total outlays (gross).....	4	7	6
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-2	...	...
Net budget authority and outlays:				
89.00	Budget authority.....	...	...	...
90.00	Outlays.....	2	7	6

UNIVERSITY TRANSPORTATION RESEARCH
PROGRAM AND PERFORMANCE

In 2008, University Transportation Research will be funded in the Research and University Research Centers account. No new budget authority is requested in 2008 in this account.

RESEARCH AND UNIVERSITY RESEARCH CENTERS

For necessary expenses to carry out 49 U.S.C. 5306, 5312–5315, 5322, and 5506, \$61,000,000, to remain available until expended: Provided, That \$9,300,000 is available to carry out the transit cooperative research program under section 5313 of title 49, United States Code, \$4,300,000 is available for the National Transit Institute under section 5315 of title 49, United States Code, \$7,000,000 is available for university transportation centers program under section 5506 of title 49, United States Code: Provided further, That \$40,400,000 is available to carry out national research programs under sections 5312, 5313, 5314, and 5322 of title 49, United States Code.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109–289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
RESEARCH AND UNIVERSITY RESEARCH CENTERS

Program and Financing (in millions of dollars)

Identification code : 69-1137-0-1-401	2006 Actual	2007 Est.	2008 Est.
Obligations by program activity:			
00.01	125	79	75
09.01	10	25	25
10.00	135	104	100
Budgetary resources available for obligation:			
21.40	82	44	30
22.00	94	90	86
22.10	3	...	...
23.90	179	134	116
23.95	-135	-104	-100
24.40	44	30	16
New budget authority (gross), detail:			
Discretionary			
40.00	75	65	61
40.33	-1	...	...
43.00	74	65	61
Spending authority from offsetting collections:			
Discretionary			
58.00	11	25	25
58.10	9	...	...
58.90	20	25	25
70.00	94	90	86
Change in obligated balances:			
72.40	236	171	152
73.10	135	104	100
73.20	-188	-123	-121
73.45	-3	...	...
74.00	-9	...	...
74.40	171	152	131

(Continued on next page)

DEPARTMENT OF TRANSPORTATION
 FEDERAL TRANSIT ADMINISTRATION
 RESEARCH AND UNIVERSITY RESEARCH CENTERS

Program and Financing (in millions of dollars)
 (Continued from previous page)

Identification code : 69-1137-0-1-401		2006	2007	2008
		Actual	Est.	Est.
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority.....	4	38	37
86.93	Outlays from discretionary balances.....	184	85	84

87.00	Total outlays (gross).....	188	123	121
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from Federal sources.....	-11	-25	-25
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired).....	-9	...	...
Net budget authority and outlays:				
89.00	Budget authority.....	74	65	61
90.00	Outlays.....	177	98	96

RESEARCH AND UNIVERSITY RESEARCH CENTERS

PROGRAM AND PERFORMANCE

In 2008, the National Research Program, Transit Cooperative Research Program, and the National Transit Institute are funded in the Research and University Research Centers account.

Funding for the National Research Program will be used for FTA's essential safety and security activities and transit safety data collection. Under the national component of the Program, FTA is a catalyst in the research, development and deployment of transportation methods and technologies which address issues such as accessibility for the disabled, air quality, traffic congestion, and transit service and operational improvements. Funding for the University Research Centers program will provide continued support for research, education and technology transfer activities aimed at addressing regional and national transportation problems.

This account was renamed in FY 2006 from Transit Planning and Research in accordance with the account restructuring in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and funding for metropolitan and statewide planning programs is thereby provided under the Formula and Bus Grants account.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
RESEARCH AND UNIVERSITY RESEARCH CENTERS**

Object Classification (in thousands of dollars)

Identification code : 69-1137-0-1-401		2006 Actual	2007 Est.	2008 Est.
	Direct obligations:			
25.2	Other services	9,452	12,452	12,030
25.5	Research and development contracts	602	731	581
41.0	Grants, subsidies, and contributions.....	114,837	65,943	62,149
99.0	Direct obligations.....	124,502	79,126	74,760
99.0	Reimbursable obligations.....	10,486	25,000	25,000
99.9	Total new obligations.....	134,988	104,126	99,760

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

RESEARCH AND UNIVERSITY RESEARCH CENTERS

Appropriation, Obligation Limitation, Exempt Obligations
(\$000)

	FY 2006 Actual¹	FY 2007 Continuing Resolution	FY 2007 Pres. Budget	FY 2008 Request	Change FY2007 to FY2008	Change FY2007 to FY2008, %
National Research and Technology	\$54,351	\$44,400	\$40,400	\$40,400	0	0%
Transit Cooperative Research	8,910	9,300	9,300	9,300	0	0%
National Transit Institute University Transportation Centers	4,257	4,300	4,300	4,300	0	0%
	<u>6,930</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>0</u>	<u>0%</u>
Total – Research and University Research Centers	\$74,448	\$65,000	\$61,000	\$61,000	0	0%

¹FY 2006 reflects the one percent across-the-board recession contained in Division B, Title III, chapter 8, section 3801 of the “Defense Appropriations Act”, P.L. 109-148

Program and Performance Statement:

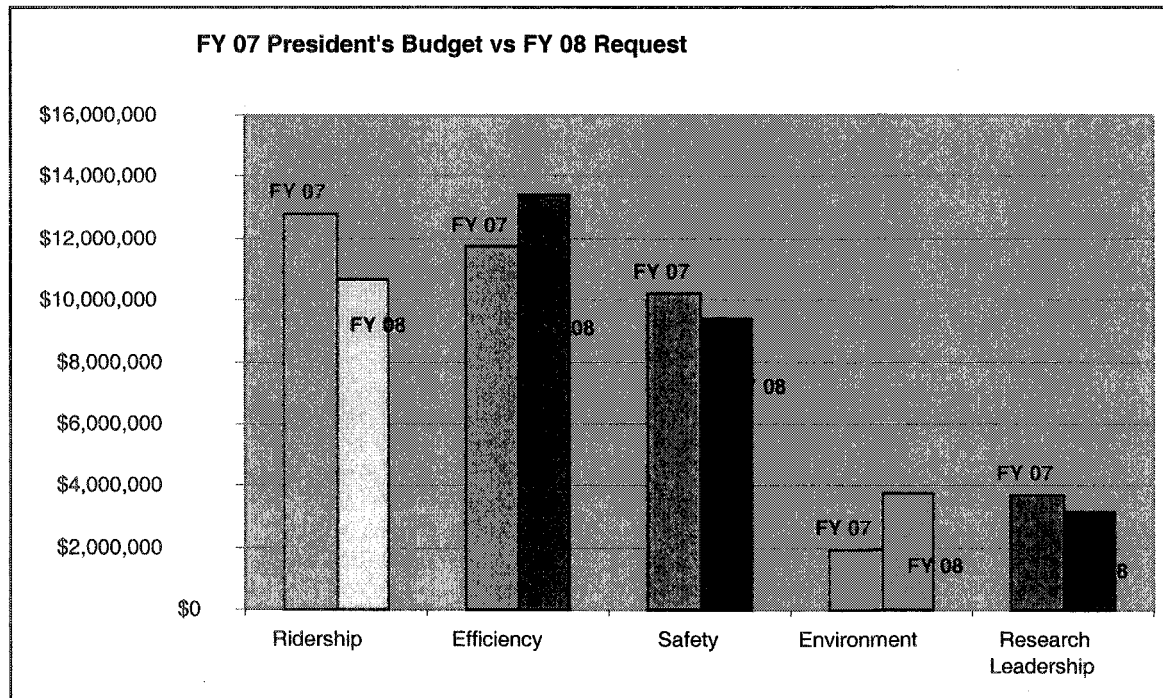
This account provides the necessary resources to support National Research and University Research activities and helps achieve the department’s performance goals of reducing congestion, improving the average condition of bus and rail fleets, improving access to public transportation for physically challenged individuals, and making transit safer and more secure. The National Research and University Research Programs make available funds to both support activities designed to increase the number of customers that use public transportation systems and fulfill FTA’s research and technology program mission – to deliver solutions that improve public transportation.

PART Results:

As part of the FY 2008 budget process, the research program has undergone an evaluation using the OMB Program Assessment Rating Tool (PART). The research program received an effective rating with a score of 95%. Effective is the highest possible rating, and one that is shared by only 15% of the programs assessed.

**NATIONAL RESEARCH AND UNIVERSITY RESEARCH CENTERS
SUMMARY ANALYSIS OF CHANGE FROM FY 2007 TO FY 2008
\$(000)**

Item	Change from FY 2007 to 2008	FY 2008 PC&B by Program	FY 2008 FTEs by Program	FY 2008 Contract Expenses	Total
FY 2007 Base					61,000
Research Appropriations, Obligations, Limitations, and Exempt Obligations					
Adjustment to Base					
National Research & Technology	0				
Transit Cooperative Research	0				
National Transit Institute	0				
University Transportation Research	0				
Subtotal, Adjustments to Base					0
New or Expanded Programs					
Subtotal, New or Expanded Program Increases/Decreases					
Total FY 2008 Request					61,000



RESEARCH AND TECHNOLOGY PROGRAMS
 Appropriation, Obligation Limitation, Exempt Obligations
 (\$000)

Program Areas/Programs	FY 2006 Enacted²	FY 2007 Continuing Resolution	FY 2007 Pres. Budget	FY 2008 Request	Change FY 2007 to FY 2008	% Change FY 2007 to FY 2008
1. Increase Transit Ridership	13,717	11,706	12,800	10,650	(2,150)	-17%
2. Improve Capital & Operating Efficiencies	18,755	17,770	11,755	13,410	1,655	14%
3. Improve Safety & Emergency Preparedness	8,586	9,190	10,201	9,420	(781)	-8%
4. Protect the Environment & Promote Energy Independence	11,594	2,990	1,950	3,750	1,800	92%
5. Provide Transit Research Leadership	1,700	2,794	3,694	3,170	(524)	-14%
Subtotal, National Research & Technology¹	54,351	44,400	40,400	40,400	0	0%

¹Note: Does not include an estimated \$100,000 in indefinite appropriations for the IMTP

² FY 2006 reflects the one percent across-the-board recession contained in Division B, Title III, chapter 8, section 3801 of the "Defense Appropriations Act", P.L. 109-148.

Detailed Justification for National Research and Technology

National Research	FY2008 Request: \$40,400,000
<p>Overview: Through funding of the National Research & Technology program, FTA will deliver improvements for public transportation. The strategic goals and objectives of FTA's National Research & Technology Program are to:</p> <ul style="list-style-type: none"> • Increase transit ridership; • Improve capital and operating efficiencies; • Improve safety and emergency preparedness; • Protect the environment and promote energy independence; and • Provide transit research leadership. <p>These goals and objectives support the National Research Program and Performance Statement by:</p> <ul style="list-style-type: none"> • Partnering FTA with the transportation industry to establish preeminence in U.S. transit technology, institutions, and customer services, thereby increasing the quality and level of transit services; • Evaluating the current effectiveness of different strategies to increase ridership; and • Providing transit agencies with technical assistance to help improve their operations and increase ridership through new service methods and technologies. 	

As part of the President's Management Agenda, investment criteria have been developed for Research and Development (R&D) program managers to plan and assess their programs.

R&D Investment Criterion	Program Evidence
<i>Relevance</i>	<ul style="list-style-type: none"> • Research program is mission-oriented and supports FTA and DOT strategic goals. • Stakeholders are engaged throughout the process, including agenda setting and planning. • Program managers work closely with committees and research boards, including the Transit Research Board and organizations such as the American Public Transportation Association. • Stakeholders are involved in agenda setting and planning through the TRB's Transit Research Analysis Committee. • Stakeholders are engaged in the development of a Strategic Transit Research Plan. • External experts and advisory groups ensure program relevance throughout the research process itself. • Stakeholders are engaged in technology transfer and innovation delivery activities. • Prospective projects are evaluated on a scorecard system that incorporates the relevance criterion of the OMB R&D investment criteria.
<i>Quality</i>	<ul style="list-style-type: none"> • Investment decisions are based on competition and merit review whenever possible. • External experts are frequently consulted during the conduct of research; merit reviews of results are encouraged.
<i>Performance</i>	<ul style="list-style-type: none"> • Stakeholders are involved in reviewing performance retrospectively. • Program results are linked to FTA and DOT performance plans. • All research projects are required to obtain approval of their performance measurement plan.

FTA uses the Research and Development Investment Criteria set forth by OMB as a basis for development of its project evaluation system.

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in FTA's FY 2007 President's Budget Request.

Anticipated FY 2007 Accomplishments:

The following major anticipated accomplishments in FY 2007 support ongoing program efforts in FY 2008.

Increase Transit Ridership

- FTA will continue to promote the benefits of transit, building upon the goal to

increase ridership by 1.5 percent each year. FTA research programs have contributed to success in this area, and during FY 2006 transit ridership increased by 2.1 percent.

- FTA will support congestion mitigation by analyzing activities currently underway in metropolitan areas and sharing best practices.
- FTA will develop an executable plan for the industry to increase ridership by analyzing existing and planned research on methods and initiatives that provide information regarding the greatest return on investment.
- FTA will provide technical assistance to States and communities on the coordination of transportation services. This effort will work toward providing adequate transportation services to older Americans, persons with disabilities and individuals with low incomes so that they may access work, medical services, education resources, and recreation opportunities.

Improve Capital and Operating Efficiencies

- FTA will reduce capital and operating costs by targeting non-critical cost-driving elements for elimination.
- FTA will analyze two major issues within the non-rail vehicle market; the type of vehicle chosen and the choice of components for each vehicle type. The study will examine the characteristics of bus services that drive purchasing decisions in these two issue areas.
- FTA will continue to provide increased trade support to the domestic transit industry through trade missions, reverse trade missions, market research, and other trade related activities.
- FTA will analyze Joint Development Usage and formulate Transit Oriented Development performance measures.
- FTA will implement an improved measure of cost effectiveness of New Starts projects and will support a FAST Track New Starts Management system.

Improve Safety & Emergency Preparedness

- FTA will provide training for approximately 6,000 professionals through the Transportation Safety Institute training program. FTA will continue to update and revise key training courses on subjects such as accident prevention and investigation, emergency management, industrial safety, bus operator safety, and fatigue awareness.
- FTA will continue to evaluate the impact of new vehicle and infrastructure technologies on transit safety and security and conduct an ongoing analysis of data collected from incidents involving new technologies in bus and rail.
- FTA will provide assistance to grantees and States to implement Federal regulatory requirements for drug and alcohol testing of safety sensitive employees.

Protect the Environment and Promote Energy Independence

- FTA will continue to investigate effective adaptations of hybrid and clean fuel technologies for bus fleets.
- FTA will complete an analysis of the environmental benefits of transit based on

automobile usage, energy savings, and reduced motor-vehicle emissions.

- FTA will investigate methods and technologies to address the energy consumption of rail systems, including advancements in wayside energy storage substations, methods to reduce peak power demand, and regenerated energy technology.

Promote Transit Leadership

- FTA will continue to support the efforts of the National Academy of Sciences to analyze transit research through its Transit Research Analysis Committee (TRAC).
- FTA will continue to conduct transit technology sessions at the Transit Research Board (TRB) and support TRB transit committees.
- FTA will follow the guidance set forth under 49 USC 308 Report in estimating transit’s condition, performance, and short- and long-term transit investment needs.

FY 2008 Budget Request:

FTA is requesting \$40.4 million for National Research and Technology Programs to support activities designed to develop solutions that improve public transportation. On September 30, 2005, FTA released its Strategic Transit Research Plan developed in coordination with the Transit Research Analysis Committee of the Transportation Research Board. As the Federal agency responsible for transit, the plan lays out FTA’s leadership role in supporting research intended to identify different strategies to increase ridership, improve capital and operating efficiencies, improve safety and emergency preparedness, and protect the environment and promote energy independence.

The Program supports research unlikely to be undertaken by the private sector, including studies on policy issues, models, and travel behavior, as well as long-term, high-risk, high potential payoff investigations of new technologies. FTA provides transit agencies with research results to help improve public transportation service and ensure that transit is provided at a minimum cost. Requested projects include the following:

Increase Transit Ridership – \$10.650 million

Program Areas/Programs	FY 2006 Enacted	FY 2007 Continuing Resolution	FY 2007 Pres. Bud.	FY 2008 Request	Change FY 2007 to FY 2008
Increase Transit Ridership	13,717	11,706	12,800	10,650	(2,150)

Transit plays a major role in achieving important social and economic goals including conveying people to work, reducing congestion, diminishing air pollution, improving the mobility of persons with disabilities, and supporting efficient urban and rural development. For this reason, FTA’s Strategic Transit Research Plan identifies increasing transit ridership as the primary goal of FTA research and as a means to other ends.

Americans took 2.5 billion trips using public transportation during the first quarter of 2006, which, according to APTA, represents a significant increase over the same quarter in 2005. The Public Transportation Association estimates that more than 14 million people take

almost 33 million trips each weekday. Public transportation ridership has grown by over 25 percent since 1995, faster than highway or air travel.

FY 2008 funds will promote the following research objectives identified by FTA in partnership with the transit industry:

Objective: Identify best practices and technologies to reduce congestion and increase transit ridership. Pinpoint barriers to the adoption of ridership enhancement techniques and solutions to overcome those barriers.

Demonstrations and Evaluations of Methods, Techniques, and Technologies to Increase Ridership – These demonstrations will analyze and undertake research in methods, techniques, and technologies to increase transit ridership. Findings from the planned demonstrations will provide the information required for transit agencies around the country to implement programs, techniques, and initiatives proven to positively affect rider behavior and ridership.

Congestion Initiative Expert Support – This project provides expert contractor support as needed to facilitate the implementation of specific congestion reducing projects in one or more major metropolitan areas. The results of such efforts will be analyses and project reviews in support of congestion mitigation activities undertaken in major metropolitan areas.

Objective: Improve transportation solutions for specialized populations.

Accessibility for Persons with Disabilities: Project ACTION – Project ACTION addresses on-going issues of equal accessibility in transit. Program activities are intended to facilitate cooperation between the transit industry and the disabled community in ensuring accessible public transportation systems and compliance with the provision of the American with Disabilities Act.

Community Transportation Association of America Nationwide Joblinks – The Joblinks project will be used in FY 2008 to continue the JARC program and low-income employment technical assistance, training, information, and evaluation activities to determine which project services are producing the best results.

National Technical Assistance Center for Senior Transportation (NTACSM) – This program has developed a detailed needs assessment for older adult transportation technical assistance. The implementation of the NTACSM will assist local communities and States in the provision and expansion of transportation services for older adults. The NTACSM will be directly linked with FTA's "United We Ride" initiative to address the need for dignified, consumer-oriented transportation for the aging population in the U.S.

SAFETEA-LU Implementation: Mobility Management — This project would provide resources for implementing the mobility management concepts strategic plan across

the country. The plan would include financial assistance for the continued implementation of the national education program, a national communication network and the organization of technical assistance and training activities for mobility managers, tracking and evaluation efforts, and other priorities determined by the strategic plan.

In FY 2008, FTA will:

- Apply the outcome of Project ACTION’s research, demonstration and technical assistance program to better integrate accessible transportation options into communities through training, technical assistance, program development and outreach activities.
- Provide mobility and independence for older Americans who do not have convenient access to transit service or have chosen to discontinue driving themselves.
- Provide technical assistance to individual communities on low-income transportation issues, including a 1-800 number, Internet information and assistance, and peer-to-peer technical assistance.

Improve Capital and Operating Efficiencies -- \$13.410 million

Program Areas/Programs	FY 2006 Enacted	FY 2007 Continuing Resolution	FY 2007 Pres. Bud.	FY 2008 Request	Change FY 2007 to FY 2008
Improve Capital & Operating Efficiencies	18,755	17,770	11,755	13,410	1,655

FTA recognizes the importance of making capital and operating investments that are reasonable and can withstand public scrutiny. With more active New Starts than ever before and local governments facing increasing pressure to limit transit operating costs, investments must be in projects that are the most cost effective and financially viable. Once projects are underway, they must stay on budget and on schedule.

In partnership with the transit industry, FTA has identified the following research objectives to improve capital and operating efficiencies:

Objective: Identify practices and technologies to control capital and operating costs.

Major Investment Planning and Methods – Through this ongoing program FTA provides enhanced tools and methods for a number of technical planning activities, such as travel demand forecasting; capital, operations and maintenance costing; and environmental and land use analyses. The result is improvements in major transit capital investment planning and development.

Rail Cost Studies – Rail Cost Studies will be used by the transit community in accessing project cost estimate trends. They will lead to the development of tools to more precisely target project management oversight resources, and to better predict costs of Light Rail, Heavy Rail and Commuter Rail projects.

National Transit Geographic Information System (GIS) – This project furthers development of GIS software to enable online remote tracking of transit operations, performance, and benefits at various levels of detail. FTA possesses mathematical models with which to calculate transit’s economic benefits in its diverse markets. The proposed continuing research will support the use of these applications beyond the prototype stage to transit service generally.

Transit Oriented Development Benchmarking – Funding supports the development of standards and definitions for transit-oriented development (TOD) adjacent to public transportation facilities and performance benchmarking in New Starts cities. System planning guidance, performance criteria and modeling techniques will be expanded. This project will also provide research support and technical assistance for metropolitan planning agencies and public transportation agencies.

Objective: Develop methods and technologies to improve transit operational efficiency

Rail Programs - This project will undertake research to improve rail operations. Examples of research to be conducted include an analysis of the benefits of automated metro operations and improved train control and track inspection technology.

FAST Track New Starts Management System – FAST Track is an information management tool that provides information on New Starts projects. This system allows for the integration of planning, finance, and project management data at different stages of project history for the production of management reports.

Transit Operation Improvements - This project will undertake research to investigate methods and technologies to improve transit system operations. Examples of research to be conducted include the implementation of WiMAX (Worldwide Interoperability for Microwave Access) in public transportation applications, next generation Enterprise Architecture requirements, and advanced fare payment systems.

Workforce Plan Development/Competitive Sourcing – FTA strives to improve transit innovation, efficiency, and effectiveness. One potential avenue for this is through competition between the public and private sectors. This FTA program utilizes survey results regarding similar private contracting work for other government agencies. This information then establishes a basis for future cost estimates.

In FY 2008, FTA will:

- Conduct additional research and analysis to refine and quantify estimates of the benefits of transit, and identify specific practices that yield higher benefits. The dissemination of this information will help public transportation operators make cost-effective capital investment and operating decisions.
- Continue support of voluntary industry standards that will improve the design,

performance, safety, and reliability of transit systems and reduce risk for the supply industry.

- Analyze, develop, and share data on best practices and technologies to reduce and control the costs of rail projects.
- Develop a set of models to assess the performance of various types of bus operations that will be produced in roughly 24 months.
- Develop guidance for the application of GIS and other related technologies to address issues of New Starts cost containment.

Improve Safety and Emergency Preparedness – \$9.420 million

Program Areas/Programs	FY 2006 Enacted	FY 2007 Continuing Resolution	FY 2007 Pres. Bud.	FY 2008 Request	Change FY 2007 to FY 2008
Improve Safety & Emergency Preparedness	8,586	9,190	10,201	9,420	(781)

Transit is the safest travel mode. According to the National Safety Council, riding the bus is 47 times safer than traveling by car and traveling by train is 23 times safer than traveling by car. Still, safety remains a continuing concern of transit operators, and attention is given to issues such as driver training, driver drug and alcohol testing, and vehicle design.

FTA research funds assist States, local transit authorities, and the transit industry by providing safety technical assistance and by improving technology and training programs. FTA oversees State programs for Safety Oversight of Rail Systems to ensure they are in compliance with the requirements of the State Safety Oversight Rule for Rail Fixed Guideway Systems. FTA continues to audit alcohol and drug testing programs.

It is also important to distinguish between safety and security when discussing transit. Safety involves such concerns as driver training and performance and vehicle design. Security; however, is any intentional act or threat of violence or personal harm – either a criminal or terrorist act. In the prevention of security breaches, FTA works closely with the Department of Homeland Security, which is responsible for research on detection of security threats. FTA plays an important role in bringing better methods to the attention of transit operators who often provide emergency evacuation in the aftermath of a terrorist attack or natural disaster.

FY 2008 funds will promote the following objectives supporting safety and emergency preparedness in public transportation systems:

Objective: Identify solutions to reduce the number of transit related deaths and injuries and increase emergency preparedness

Evaluation, Development, and Delivery of Current Safety and Security Courses –
These demonstrations will analyze and undertake research in methods, techniques,

and technologies to improve transit safety and emergency preparedness. Findings from the planned demonstrations will provide the information required for transit agencies around the country to implement programs, techniques, and initiatives proven to positively affect safety.

Safety and Security Training (TSI) - This funding will continue support for the Transportation Safety Institute's (TSI) transit safety and security-training program, located in Oklahoma City, OK. The transit industry has benefited from the strong relationship between TSI and FTA over the past 25 years. The TSI curriculum supports FTA's safety and security mission in a cost-effective way. During FY 2008, TSI will conduct over 35 courses intended to supply the knowledge and skills to develop and maintain safety and security programs throughout the transit industry.

Drug and Alcohol Testing (DAMIS) - The Omnibus Transportation Employee Testing Act of 1991 authorized FTA to mandate drug and alcohol testing of grantees and sub-recipients and their contractors' safety sensitive employees. FTA has issued regulations requiring grantees to submit annual reports summarizing their test results, utilizing FTA's drug and alcohol management information system (DAMIS).

Transit Safety and Security Information Sharing and Public Awareness - Transit Safety and Security Information Sharing and Public Awareness will be used as a Website link to assist in the integration of voice, data and graphical communications to enable common devices, such as cell phones, PDA's, and computers to communicate effectively with 9-1-1 call centers.

In FY 2008, FTA will:

- Evaluate the impact of new vehicle and infrastructure technologies on transit safety and emergency preparedness.
- Provide training for transit professionals in subjects such as accident prevention and investigation, emergency management, industrial safety, bus operator safety, and fatigue awareness.
- Ensure transit agencies meet future regulatory requirements established by the Transportation Security Administration (TSA).

Protect the Environment and Promote Energy Independence – \$3.750 million

Program Areas/Programs	FY 2006 Enacted	FY 2007 Continuing Resolution	FY 2007 Pres. Bud.	FY 2008 Request	Change FY 2007 to FY 2008
Protect the Environment & Promote Energy Independence	11,594	2,990	1,950	3,750	1,800

Americans drive their 200 million cars and light trucks more than 2 trillion miles a year and emit more than half the air pollution nationwide. Transit has the potential to significantly

reduce pollution without imposing more taxes or more government regulations. Energy savings are just as important. Currently, 43 percent of America's energy is used for transportation. It is therefore important that we continue to examine practices and technologies that can lead to further improvements in emissions and fuel efficiency.

FTA has identified the following research objectives to protect the environment and promote energy independence:

Objective: Identify and overcome barriers to adoption of clean technologies.

Clean Fuels and Electric Drive Bus Deployment (Hybrid Electric) Program - FTA is requesting \$2.0 million in FY 2008 for its Clean Fuels and Electric drive Bus Deployment (Hybrid Electric) program in response to FY 2006 Congressional direction for FTA to encourage deployment of new low emission technology, including hybrid electric buses. FTA's Hybrid Electric program will develop a comprehensive approach to address existing barriers within the transit industry to the adoption and deployment of new low emission technology. This includes addressing the need for improvements to the current generation of hybrid electric bus technologies: improving the cost, reliability, and performance of hybrid energy storage systems; demonstrating electrically driven accessories; and exploring the use of hybrids as a mobile source.

Objective: Facilitate development of technologies to improve energy efficiency and reduce emissions from transit vehicles.

Environmental Research Support for Transit Activities – SAFETEA-LU strengthens the environmental streamlining and stewardship requirements of TEA-21 and makes other changes for metropolitan planning and transit project review. Statutory timeframes for environmental review of projects are now more stringent. Additional factors must be considered when determining whether use of a historic site or parkland is permitted in a transit project. These and other changes require that: (1) existing FTA/FHWA planning and environmental regulations are revised, (2) guidance is issued implementing the changes, (3) training seminars are developed, (4) coordination is increased with EPA, Fish and Wildlife Service, and Corps of Engineers, and (5) outreach to the affected parties through conferences, website updates, and newsletters is conducted.

Rail Energy Conservation Improvements - This project will undertake research on technologies and methods to reduce energy consumption of rail systems. Rail systems consume considerable energy resources (either through the electric grid or through fuels) that are a substantial proportion of operating costs. Research will examine wayside energy storage substations, regulation and reduction of peak power demand, use of regenerated energy, and reducing voltage.

In FY 2008, FTA will:

- Consolidate individual hybrid fuel system(s) research efforts based on Congressional direction into the agency's Hybrid-electric Initiative.
- Demonstrate at least one common hybrid fuel system for transit bus, commercial bus, and military truck.
- Implement environmental requirements contained in the reauthorization for the surface transportation agencies.

Provide Transit Research Leadership – \$3.170 million

Program Areas/Programs	FY 2006 Enacted	FY 2007 Continuing Resolution	FY 2007 Pres. Bud.	FY 2008 Request	Change FY 2007 to FY 2008
Provide Transit Research Leadership	1,700	2,794	3,694	3,170	(524)

FTA's research programs are part of a broader transit industry research effort. FTA therefore seeks to provide transit research leadership by linking all transit research efforts across the industry. This will assist in identifying research areas of common interest and opportunities to partners and avoid duplication of effort.

FTA's approach to conducting and undertaking transit research is focused on meeting the Office of Management and Budget's (OMB) Research & Development Investment Criteria. The FTA plan is designed to position the agency as a catalyst for change in how the country views public transportation.

In partnership with the transit industry, FTA has identified the following programs to ensure transit research leadership:

Transit Research Analysis Committee (TRAC) – The TRAC is responsible for making recommendations regarding the Federal role in transit research relative to the activities of others (private sector, universities, States, etc.). The Committee also recommends high priority opportunities for the FTA research agenda with a focused set of theme areas based on industry needs and FTA's strategic goals and core accountabilities.

Transit Research Board (TRB) Support – Will allow FTA to support transit activities of the TRB including its annual meeting, professional committee activities, and ongoing coordination and research dissemination through the Transportation Research Information Service (TRIS).

These initiatives perform essential functions in FTA's development and implementation of the Research and Development investment criteria.

Transit Conditions & Performance Report – the secretary is required by law to submit to Congress every other year a report on the condition, performance, and capital investment requirements of the nation’s highway, bridges, and transit systems. This work will help FTA enhance the accuracy of the transit data and funding projections and measure outcome goals more precisely.

In FY 2008, FTA will do the following:

- Support Federal-wide efforts to increase electronic public access to data on public transportation assets within the United States.
- Pursuant to 49 USC 308, FTA will conduct the necessary data collection and research to report on the conditions and performance of transit in the U.S., and short- and long-term transit investment needs.
- Support improved planning through sponsorship of key stakeholders.

Explanation of Funding Changes for National Research & Technology Programs

National Research & Technology	\$0
Overview:	
<p>FTA is currently evaluating the effectiveness of different strategies to reduce congestion and increase transit ridership. As the most effective measures are identified, transit agencies are provided with technical assistance to facilitate the utilization of new service methods and technologies that improve operations. The intended result of such efforts is the deployment of technological innovations to improve personal mobility, minimize automobile fuel consumption and air pollution, increase ridership and enhance the quality of life in all communities.</p> <p>For FY 2008, FTA requests \$40.4 million in support of FTA’s national research and technology programs. This is the same level of funding requested in the FY 2007 President’s Budget.</p>	
Increase Transit Ridership	- \$2,150,000
<p>The decrease in this research area is largely due to reductions in the demonstration project of methods to increase transit ridership. In accord with the Department’s Six-point Plan to address increasing congestion, FTA has increased emphasis on operating efficiencies that foster public transportation growth in highly congested urban areas that will aid “free-flow” traffic conditions thus improving through-put and reducing costs due to wasted fuel and travel time.</p> <p>Additionally, the FY 2007 base includes a \$0.5 million one-time investment by FTA for planning assistance in the aftermath of Hurricane Katrina that is not proposed in this budget.</p>	

Improve Capital and Operating Efficiencies	\$1,655,000
<p>Funding in this strategic research area directly supports and strengthens the ability of FTA to address its core objectives to Improve Capital and Operating Efficiencies within the transit industry. The increased funding will address several congestion initiatives. Capital and operational efficiencies achieved in congested urban areas will aid “free-flow” traffic conditions, thus improving through-put and reducing costs due to wasted fuel and travel time.</p>	
<p>Funding of designated critical FTA projects in this program area will align program funds and administrative support costs. This will help FTA focus resources on innovations, efficiencies, and greater effectiveness in the management of public transportation services. Furthermore, the critical projects included in this new programmatic area will allow FTA to continue to emphasize sharing technological innovations internationally and will allow domestic businesses to become more globally competitive.</p>	
Improve Safety and Emergency Preparedness	-\$781,000
<p>Despite an overall decrease in this strategic research area, the success of FTA investments in projects designed to enhance and increase the safety of public transportation systems cannot be understated. Public transit is the safest mode of transportation in the United States, and the small decrease in funding will not affect this trend.</p>	
<p>The decline in funding reflects successful partnerships developed over time and a greater return on investment of FTA safety and security programs. In 2008, Transportation Security Administration funding will supplement the Connecting Communities program, further leveraging FTA resources. Additionally, the FY 2007 President’s Budget contained funding for a one year only project on Railroad Grade Crossing Technologies.</p>	
Protect the Environment & Promote Energy Independence	\$1,800,000
<p>The increase in this program area supports the emphasis FTA has places on research into clean fuels and hybrid electric vehicles. FTA consolidated several individual projects into the agency’s new <i>Clean Fuels and Electric Drive Bus Deployment (Hybrid-electric) Program</i> in FY 2008. Continued support of this critical project will allow FTA to examine practices and technologies that can lead to further improvements in air emissions and fuel efficiency.</p>	
<p>FTA has also placed importance on investigating technologies and methods to reduce energy consumption of rail systems with the addition of a new “Rail Energy Conservation Improvements” program. Research will examine wayside energy storage substations, regulation and reduction of peak power demand, use of regenerated energy, and reducing voltage.</p>	
Provide Transit Research Leadership	-\$524,000
<p>FTA has reevaluated projects in this program area, combining some projects in order to realize increased efficiency. In FY 2007, FTA requested \$1 million for the National</p>	

Household Transportation Survey. FTA's FY 2008 submission includes only the amount necessary to analyze the results. The decrease in funding is a result of these changes and efficiencies.

Detailed Justification for Transit Cooperative Research

Transit Cooperative Research Program	FY 2008 Request: \$9,300,000
<p>Overview: The goals and objectives of FTA's Transit Cooperative Research Program (TCRP) are to focus on issues significant to the transit industry with an emphasis on local problem-solving research. The goals and objectives of TCRP efforts support FTA's Strategic Research Plan, which includes:</p> <ul style="list-style-type: none"> • Research in planning and service concepts; • Research in vehicles and equipment, facilities, operations; and • Research in human resources, maintenance, policy, and administrative practices. 	
<p>FY 2007 Base: Budgetary resources in this justification are at the same funding level included in the FY 2007 President's Budget Request.</p>	
<p>Anticipated FY 2007 Accomplishments: The following major anticipated accomplishments in FY2007 will support ongoing program efforts in FY2008:</p> <ul style="list-style-type: none"> • FTA will continue to support TCRP studies that analyze best transit industry practices. • FTA will continue to support research on bus and rail equipment and infrastructure projects. • FTA will support the dissemination of the most useful information and training to transit operators. • FTA will continue to synthesize information related to solving transit industry problems. 	
<p>FY 2008 Budget Request: In FY 2008, funds provided in this program will be used to:</p> <ul style="list-style-type: none"> • Award TCRP research projects in the priority areas of safety & security, policy & planning, specialized customer service, equipment and infrastructure, and fleet operations. • Continue to assess the relationship between economic development in a corridor and the economic impact of transit investments. 	

Detailed Justification for National Transit Institute

National Transit Institute	FY2008 Request: \$4,300,000
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Overview:

The goals and objectives of the National Transit Institute (NTI), located at Rutgers University in New Jersey, are to develop and teach new methods and techniques to improve transit workforce performance and increase productivity in the workplace. NTI goals and objectives support FTA's Strategic Research Plan by providing training in:

- Planning and service concepts
- Operations improvements and safety
- Human resources policies
- Management development and effectiveness.

NTI courses are conducted locally on subjects ranging from advanced technology and multi-modal planning to management development and training effectiveness. Transit trainers' workshops are conducted annually to bring together trainers and human resource specialists from industry to learn the latest techniques in training, and to share training experiences on the job.

In addition, NTI and FTA are working together to develop and present workshops and seminars designed to assist the transit industry in understanding and implementing advanced public transportation systems. Programs on geographic information systems, automatic vehicle locator, smart cards, and innovative technologies are just a few of the topics under development for future seminars and workshops.

FY 2007 Base: Budgetary resources in this justification are the same funding levels included the FY 2007 President's Budget.

Anticipated FY 2007 Accomplishments:

- DOT/FTA has developed and delivered new transit security courses through the National monitoring course that incorporates the latest in international counter-terrorism Transit Institute (NTI) and Johns Hopkins University, including Counter-Terrorism Strategies for Transit Police, Conducting Emergency Drills, and Passenger Awareness, and it has updated other transit security courses. In addition, work has been completed for a new course addressing passenger behavior techniques.
- Over 55,000 transit employees have received security training since 9/11.

FY 2008 Budget Request:

In FY 2008, FTA will:

- Continue to assist transit operators in learning about and implementing market-based strategies to increase transit ridership.
- Evaluate and assess current National Transit Institute and Transit Safety Institute security courses to ensure that the courses are up to date and reflect current terrorism-related information.

Detailed Justification for University Transportation Centers

University Transportation Centers	FY2008 Request: \$7,000,000
<p>Overview: The objective of FTA’s University Transportation Research program is to advance U.S. technology and expertise in the many disciplines comprising transportation through the mechanisms of education, research and technology transfer at university-based centers of excellence. The University Transportation Research program promotes strategic planning and use of multi-modal transportation.</p>	
<p>FY 2007 Base: Budgetary resources in this justification are the same funding levels included in the FY 2007 President’s Budget. Funds provided under this program are transferred to and managed by DOT’s Research and Innovative Technology Administration (RITA). The funds are combined with funding from the Federal Highway Administration to support the University Transportation Research program.</p>	
<p>Anticipated FY 2007 Accomplishments:</p> <ul style="list-style-type: none"> • Increased number and diversity of students, faculty and staff substantively involved in the undergraduate, graduate and professional programs related to transportation. • Availability of research results useful to FTA in a form that can be directly implemented, utilized or otherwise applied. 	
<p>FY 2008 Budget Request: In FY 2008 FTA will:</p> <ul style="list-style-type: none"> • Continue to support university research aimed at addressing regional and national transportation problems. Research will continue to be conducted to direct technology transfer in ways to mitigate the impacts of surface transportation on the environment, evaluate and monitor infrastructure conditions, and improve information systems for safety and security and infrastructure construction and management. • Continue to suggest research areas to the university based on transit industry needs. This program functions as a research investment, using Federal dollars in conjunction with public and private local funds to solve real transportation problems. • FTA will continue to encompass the needs of the transit industry through the university-based research it sponsors, and will link the University Transportation Research program with FTA recruitment of undergraduate and graduate students. This will allow FTA to further the DOT/FTA strategic goal of Economic Growth and Trade through building professional capacity and attracting graduates into FTA and other transportation agencies. 	

Job Access and
Reverse Commute

DEPARTMENT OF TRANSPORTATION
 FEDERAL TRANSIT ADMINISTRATION
 JOB ACCESS AND REVERSE COMMUTE GRANTS

Program and Financing (in millions of dollars)

Identification code : 69-1125-0-1-401		2006	2007	2008
		Actual	Est.	Est.
Obligations by program activity:				
00.01	Job access and reverse commute grants.....	73	38	13
10.00	Total new obligations (object class 41.0).....	73	38	13
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year.....	123	51	13
22.10	Resources available from recoveries of prior year obligations	1	...	...
23.90	Total budgetary resources available for obligation.....	124	51	13
23.95	Total new obligations.....	-73	-38	-13
24.40	Unobligated balance carried forward, end of year.....	51	13	...
Change in obligated balances:				
72.40	Obligated balance, start of year.....	190	167	102
73.10	Total new obligations.....	73	38	13
73.20	Total outlays (gross).....	-95	-103	-65
73.45	Recoveries of prior year obligations	-1	...	...
74.40	Obligated balance, end of year.....	167	102	50
Outlays (gross), detail:				
86.93	Outlays from discretionary authority.....	95	103	65
Net budget authority and outlays:				
89.00	Budget authority.....	...	...	...
90.00	Outlays.....	95	103	65

JOB ACCESS AND REVERSE COMMUTE GRANTS

PROGRAM AND PERFORMANCE

In 2008, funds requested for the Job Access and Reverse Commute program are included in the Formula and Bus Grants account. No new budget authority is requested in 2008 in this account.

CAPITAL INVESTMENT GRANTS

For necessary expenses to carry out section 5309 of title 49, United States Code, \$1,399,818,000, to remain available until expended, of which \$100,000,000 is for section 5309(e).

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
CAPITAL INVESTMENT GRANTS

Program and Financing (in millions of dollars)

Identification code : 69-1134-0-1-401		2006	2007	2008
		Actual	Est.	Est.
Obligations by program activity:				
00.01	Capital Investment Grants.....	2,181	1,757	2,147
00.03	Lower Manhattan Recovery P.L. 107-206	294	45	34
09.00	Federal Emergency Management P.L. 107-206 Reimbursable [FEMA]	92	281	94
10.00	Total obligations.....	2,567	2,083	2,275
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year.....	2,870	1,797	1,262
22.00	New budget authority (gross).....	1,488	1,548	1,400
22.10	Resources available from recoveries of prior year obligations.....	11	...	...
22.21	Unobligated balance transferred to other accounts [69-1750].....	-5	...	...
23.90	Total budgetary resources available for obligation.....	4,364	3,345	2,662
23.95	Total new obligations.....	-2,567	-2,083	-2,275
24.40	Unobligated balance carried forward, end of year.....	1,797	1,262	387
New budget authority (gross), detail:				
Discretionary				
40.00	Appropriation.....	1,455	1,566	1,400
40.35	Appropriation permanently reduced (P.L. 109-148).....	-15	...	...
40.35	Appropriation permanently reduced.....	...	...	...
40.36	Unobligated balance permanently reduced .....	...	-18	...
43.00	Appropriation (total discretionary).....	1,440	1,548	1,400
58.00	Spending authority from offsetting collections: Offsetting collections (cash).....	48	...	...
70.00	Total new budget authority (gross).....	1,488	1,548	1,400
Change in obligated balances:				
72.40	Obligated balance, start of year.....	7,425	6,908	5,641
73.10	Total new obligations.....	2,567	2,083	2,275
73.20	Total outlays (gross).....	-3,073	-3,350	-2,905
73.45	Recoveries of prior year obligations.....	-11	...	...
74.40	Obligated balance, end of year.....	6,908	5,641	5,011

DEPARTMENT OF TRANSPORTATION
 FEDERAL TRANSIT ADMINISTRATION
 CAPITAL INVESTMENT GRANTS

Program and Financing (in millions of dollars)
 (Continued from previous page)

Identification code : 69-1134-0-1-401		2006	2007	2008
		Actual	Est.	Est.
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority.....	525	186	168
86.93	Outlays from discretionary balances.....	2,548	3,164	2,737
87.00	Total outlays (gross).....	3,073	3,350	2,905
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources.....	-48	...	...
Net budget authority and outlays:				
89.00	Budget authority.....	1,440	1,548	1,400
90.00	Outlays.....	3,025	3,350	2,905

CAPITAL INVESTMENT GRANTS

PROGRAM AND PERFORMANCE

In 2008, funding for the New Starts program, including Small Starts grants are included in the Capital Investment Grants account. Funds requested for fixed guideway modernization and bus and bus related expenditures are included under the Formula and Bus Grants account.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
CAPITAL INVESTMENT GRANTS**

Object Classification (in thousands of dollars)

Identification code : 69-1134-0-1-401		2006	2007	2008
		Actual	Est.	Est.
Direct obligations:				
11.1	Personnel compensation: Full-time permanent.....	1,158	1,213	1,305
21.0	Travel and Transportation of things.....	23	36	37
23.1	Rent, Communications, Utilities.....	217	211	216
24.0	Printing and reproduction.....	...	1	1
26.0	Supplies.....	5	6	6
31.0	Equipment.....	1	20	20
25.2	Other Services.....	17,401	19,817	19,640
41.0	Grants, subsidies, and contributions.....	2,456,605	1,780,640	2,160,038
		2,475,410	1,801,944	2,181,263
Reimbursable obligations:				
25.2	Other Services.....	29,141	...	...
41.0	Grants, subsidies, and contributions.....	62,466	281,012	93,671
		91,607	281,012	93,671
99.9	Total new obligations.....	2,567,017	2,082,956	2,274,934

DEPARTMENT OF TRANSPORTATION
 FEDERAL TRANSIT ADMINISTRATION
 CAPITAL INVESTMENT GRANTS

Personnel Summary

	2006	2007	2008
Identification code : 69-1134-0-1-401	Actual	Est.	Est.
Direct:			
Total compensable workyears: Civilian full-time equivalent employment employment	9	10	10

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

CAPITAL INVESTMENT GRANTS

Summary by Program Activity

Appropriation, Obligation Limitation, and Exempt Obligations
(\$000)

	FY 2006 Actual	FY 2007 Continuing Resolution	FY 2007 President's Budget	FY 2008 Request	'07 to '08 Change	'07 to '08 Change, %
Major Capital Investment Grants Greater than \$75,000,000 (New Starts) 1/ Capital Investment Grants Less than \$75,000,000 (Small Starts)	\$1,440,682	\$1,566,000	\$1,366,000	\$1,299,818	\$66,182	-4.8%
	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>0</u>
Total – Capital Investment Grants	\$1,440,682	\$1,566,000	\$1,466,000	\$1,399,818	\$66,182	-4.5%

1/ FY 2006 does not include expenditure transfer of \$47,288,340 from Formula and Bus Grants to Capital Investment Grants pursuant to P.L. 109-115.

Program and Performance Statement

This account provides the necessary resources to support Capital Investment Grant activities and helps achieve the Department's performance goal of increasing transit ridership. The funding will support new fixed guideways and extensions for existing systems or New Starts. In addition, the account funds smaller capital projects, or Small Starts, that include requests under \$75 million for new fixed guideway systems and extensions for existing systems, and bus corridor improvements.

The New Starts Program is FTA's primary program for the expansion of transit infrastructure in the United States, providing additional supply of transit services to get people out of cars, off congested roads, and onto public transit systems. Due to the complexity and size of New Starts projects, the delivery time for these projects can range from 6 -12 years. While the methodologies for justifying, rating and managing these major transit investments continue to show incremental improvement, stakeholders have raised questions on the effectiveness and efficiency of FTA's decision-making process. FTA is committed not only to continuous improvement of the New Starts Project Development Process, but also to identifying possible significant changes in the highly political and regulated environment of New Starts projects.

CAPITAL INVESTMENT GRANTS

SUMMARY ANALYSIS OF CHANGE FROM FY 2007 TO FY 2008 (\$000)

Item	Change From FY 2007 to 2008	FY 2008 PC&B By Program	FY 2008 FTEs By Program	FY 2008 Contract Expenses	Total
FY 2007 Base (Enacted Level)					\$1,466,000
Capital Investment Grants, Obligations, Limitations, and Exempt Obligations					
Adjustment to Base					
New Starts	-66,182				-66,182
Small Starts	0				0
Subtotal, Adjustments to Base	-66,182				-66,182
New or Expanded Programs					
Subtotal, New or Expanded Program Increases/Decreases	0				0
Total FY 2008 Request	-66,182				\$1,399,818

Detailed Justification for Major Capital Investment Grants Greater than \$75,000,000 (New Starts)

New Starts	FY2008 Request: \$1,299,818,000
Overview:	
<p>In FY 2008, \$1,299.82 million is proposed for capital investment grants for projects that request a federal cost share greater than \$75,000,000 under Section 5309. A total of \$1,193.74 million is recommended for 11 existing, two pending, and two proposed Full Funding Grant Agreements (FFGA). The pending and proposed FFGAs are all projects which meet the New Starts criteria, are at an advanced stage of development with few remaining uncertainties, and will likely be eligible and ready for an FFGA prior to or during FY 2008. A total of \$72.08 million is proposed for six "other projects" that meet the New Starts criteria and are either; a) in final design but have additional work to do to address cost and scope uncertainties; or b) expected to be in final design by spring 2007.</p> <p>FTA may recommend specific amounts of funding for these projects over the next several months if they continue to meet the New Starts criteria and demonstrate progress; moreover, FTA may develop and execute an FFGA for any of these projects which achieve a final scope, schedule, and budget prior to FY 2008. A total of \$33.99 million is recommended for specific ferry projects, statutory funding to support the work of the Denali Commission, and New Starts/Small Starts oversight activities.</p>	

The goals and objectives of the New Starts program include:

- Investing in transit infrastructure to create new, cost-effective transit services.
- Ensuring that only the best new transit projects receive limited Federal dollars.
- Encouraging new transit services that are accessible and convenient.

These goals and objectives support the Capital Investment Grant's Program and Performance Statement by:

- Creating new ridership where it did not exist before.
- Holding a high standard for each New Start Project's level of effectiveness and efficiency.

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.

Anticipated FY 2007 Accomplishments:

- FTA has increased its focus on improving the cost-effectiveness of the proposed New Starts projects. The agency requires local transit agencies to remove costs that do not contribute to the project's benefits, and has helped project sponsors improve their travel forecasts to more accurately portray user benefits.
- As part of an ongoing effort to make the New Starts evaluation and rating process as transparent as possible, FTA revamped the format and content of the project profiles. These revamped profiles encourage project sponsors to carefully consider how early decisions about project scope and alignment, cost, local commitment in terms of funding, and supportive land use policies will ultimately affect the project's rating.
- Implement improvements to the New Starts Project Development Process that:
 - identifies projects that can be delivered on time and on budget, with the projected benefits
 - clarifies roles and responsibilities within FTA during the evaluation process
 - manages project risk rather than attempting to eliminate project risk
 - assures proper allocation of risks and responsibilities among all parties
 - reduces the time for delivering projects
 - standardizes Federal review periods
 - assures the predictability and transparency of FTA's New Starts guidance and project delivery process
 - produces consistency in process outcomes
 - accommodates possible alternative project delivery methods
- The *FY 2007 Annual Report on New Starts* included \$1.47 billion for 16 existing, two pending, and five proposed projects. When complete, these projects will help improve mobility, reduce congestion and pollution, and promote new economic activity throughout the Nation. In particular, these projects firmly support the DOT performance goals of reducing congestion, increasing transit ridership, and reducing mobile source emissions. Below is a summary of the anticipated benefits of these projects when they are completed and in operation:
 - These projects will carry over 1,492,000 riders each day.

- Annually, these projects will carry 346 million total riders. Of these, approximately 100.3 million riders will have formerly used an automobile for these trips.
- Riders using the transit systems under construction will experience 128.7 million hours of reduced travel time annually.
- Removal of these automobiles would improve air quality by reducing 19 billion tons of CO₂ emissions annually.
- These projects serve some of the fastest growing areas of the United States. The population of the 22 metropolitan areas in which these systems are currently under construction is forecast to increase from 78 million to over 99 million people over 20 years--an increase of 27 percent.
- If operating today, these projects would provide access to over 8.8 million jobs located within ½ mile of proposed transit station areas.
- Based on US Census data, approximately 608,000 households are located within ½ mile of new transit station areas being provided for by these projects. Approximately 108,000 low-income households are located within ½ miles of these station areas today and would benefit from direct access to reliable, high quality transit service.
- By providing 108,000 low-income households access to over 8.8 million jobs, there are corresponding benefits for increased employment opportunities for people transitioning from welfare to work.
- FTA held three listening sessions around the country with industry participants to discuss proposed changes to the New Starts program and receive feedback. Workshops on proposed changes were also held during the APTA Legislative Conference. Other meetings with representatives of the industry have been held as requested.
- On January 19, 2006, FTA published a Notice of Availability of Guidance on New Starts Policies and Procedures and Request for Comments in the *Federal Register*. FTA received a number of helpful comments on the guidance and made appropriate revisions in response to industry concerns. A Notice of Availability of Final Guidance on New Starts Policies and Procedures, Updated Reporting Instructions and New Starts Rating and Evaluation Process was published May 22, 2006.
- FTA will publish a notice of proposed rulemaking (NPRM) making changes Capital Investment Grants. This NPRM will outline proposed changes to the New Starts program and incorporates the Small Starts program into the regulation. FTA anticipates publication in spring 2007.

FY 2008 Budget Request:

FTA requests funding in FY 2008, for 11 existing, two pending, and two proposed full funding grant agreements (FFGAs). The benefits of these projects cover 11 states and the District of Columbia. The total cost of these projects exceeds \$25.3 billion (total federal, state, and local funds), with Federal New Starts funding providing approximately \$9.9 billion (39% of the total cost). When completed, these projects will help improve mobility, reduce congestion and pollution, and promote new economic activity throughout the Nation. Based on the annual amounts in the current Attachment 6 for existing FFGAs and funding streams developed for

pending and proposed FFGAs a total of \$1.19 billion will be needed in FY 2008 to support existing FFGAs.

This budget request supports the Department's Six-point Plan to address reducing congestion. FTA will work to support *Urban Partnership Agreements* to foster public transportation growth in highly congested urban areas that will aid "free-flow" traffic conditions thus improving through-put reducing costs due to wasted fuel and travel time. With variable pricing on highway lanes, the lanes can be kept free-flowing and provide opportunities for speedy Bus Rapid Transit and Express Bus services. Such services are flexible and cost-effective modes of public transportation, and provide viable commuting options for those who must travel during rush hours. FTA plans to prepare and execute at least one Urban-Partnership Agreement (UPA) during FY 2007, which include the following elements:

- Congestion Pricing
- Supportive Demand Management Actions
- Federal Incentives
- Congestion benchmarks and outcome targets for each UPA
- Conduct preliminary work necessary for meeting our target of executing a total of three UPA's by 2009

FTA will establish and implement a Public-Private Partnership Pilot Program ("Penta-P") to demonstrate the advantages and disadvantages of Public-Private Partnerships ("PPP") for certain new fixed guideway capital projects. FTA plans to accomplish the following in FY 2007:

- Implement a Public-Private Partnership Pilot Program for at least one project, setting forth incentives and obligations within the framework of section the law that would demonstrate the advantages or disadvantages of PPPs, as applied to eligible projects
- Report to Congress by August 2007 on the costs, benefits, and efficiencies of Public-Private Partnerships for fixed guideway capital projects

Effectiveness and Efficiency

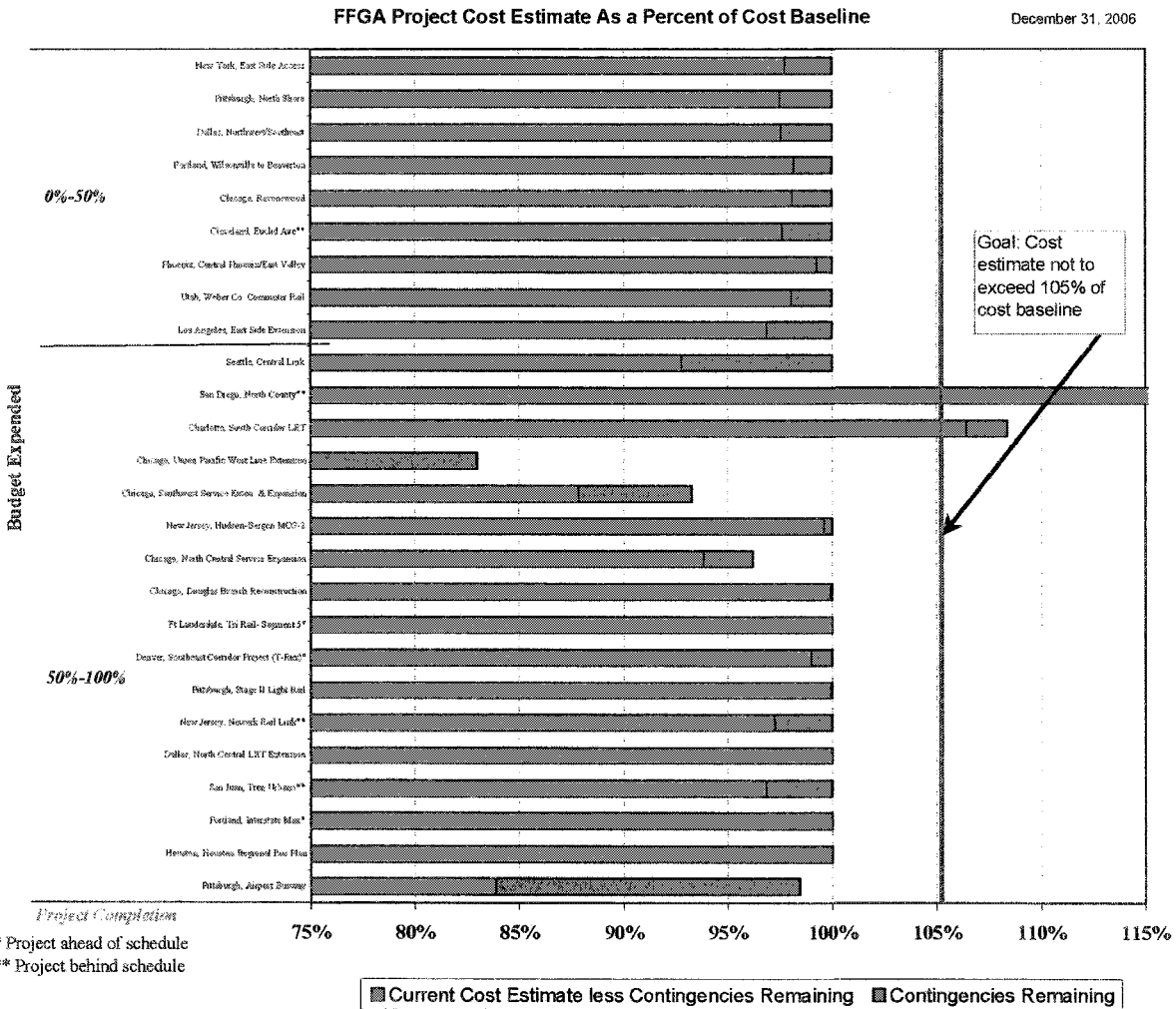
The New Starts program was assessed using the Office of Management and Budget's Program Assessment Rating Tool (PART) as part of the FY 2005 budget process, and was found to be well managed and effective in meeting the demand for transit in communities nationwide. In particular, PART demonstrated the New Starts program's effectiveness in containing project costs and in helping to promote transit ridership.

Cost Containment – Cost containment of major capital projects is one of FTA's four core accountabilities. Some of the variables that can lead to or help avoid cost overruns of these large projects include:

- Current economic bidding climate and financing terms
- High risk factors, such as environmental mitigation
- Quality of planning, project scope, and local decision-making
- Quality of project design and procurement process, and
- Reputation/expertise of the transit agency

Performance Goal: On December 30, 2006, the current total estimated project cost of each of 26 Full Funding Grant Agreement (FFGA) will not exceed that project's baseline cost estimate

(incorporating any known modifications through October 1, 2002) by more than 5 percent. The chart below illustrates that as of the end of December 2006, 95 percent of all FFGAs were within 5 percent of their baseline cost.



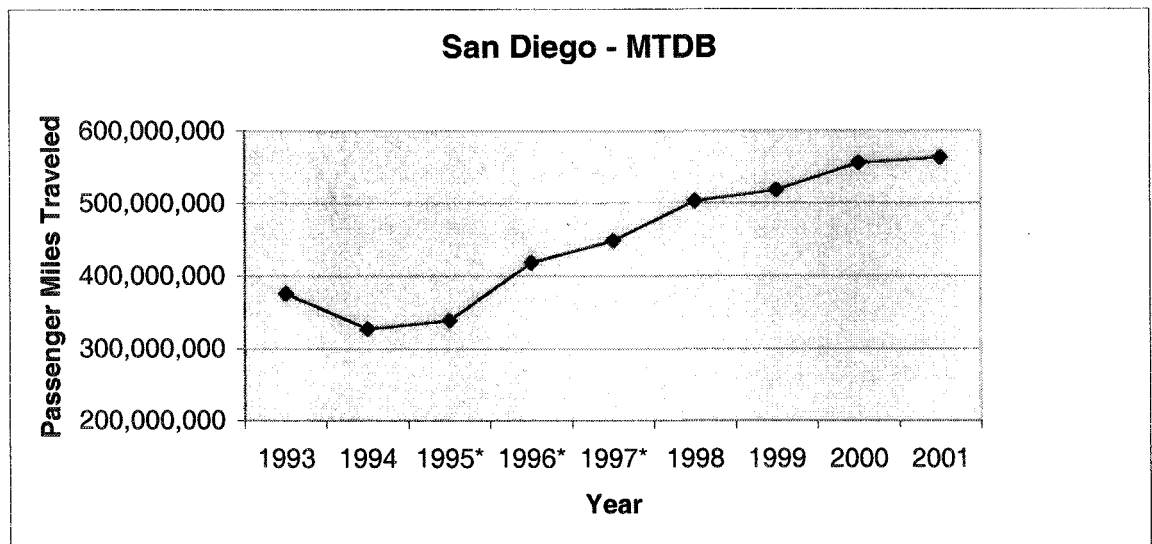
FTA's Program Management Oversight (PMO) and Financial Management Oversight (FMO) contractors, along with FTA staff, have been successful in assisting transit agencies in dealing with these variables, and in ultimately containing costs. FTA remains committed to ensuring the completion of projects on time and on budget, and will continue to assist transit agencies in:

- Developing even more disciplined approaches to project cost estimates
- Focusing on best practices and better metrics
- Improving further the New Starts rating criteria
- Emphasizing risk assessment practices
- Evaluating procurement practices
- Working with organizations to provide web-based best practices and peer review accreditation.

Office of Inspector General on New Starts Management

In December 2003, the Office of Inspector General (OIG) published its Top Ten Management Challenges for the Department. One of these challenges is protecting taxpayer investments in highway and transit infrastructure projects. Specifically, the OIG stressed the importance of continued efforts to ensure that highway and transit projects are delivered on-time, within budget, and free from fraud. Fortunately, for the American taxpayer, FTA has done just that. In fact, all 26 New Starts projects funded under TEA-21, except for one, are within 10 percent of their budget. Moreover, the OIG praised FTA in its May 2002 report entitled “Management of Large Highway and Transit Projects,” for resolving some of its cost concerns. The May report notes that FTA’s use of PMOCs and FMOCs is “essentially a sound approach that can provide early warnings of cost, schedule, and quality problems.”

Transit Ridership - As discussed in the PART analysis for the FY 2005 budget, the success of New Starts projects are helping FTA and the Department achieve their core accountability and strategic goal of meeting transit ridership demands. Preliminary analysis has shown an increased annual transit ridership exceeding 2.0 percent for selected Urbanized Areas (UZAs) after the opening of passenger service of New Starts projects within those UZAs. For example, after the San Diego UZA experienced a decline in transit ridership during the period up to 1994, it saw an average increase in transit ridership of 9.1 percent annually between 1995 and 2001. During these years, three New Starts extensions to existing light rail service were opened in 1995, 1996, and 1997. The graphic below illustrates transit ridership for the UZA of San Diego, CA.



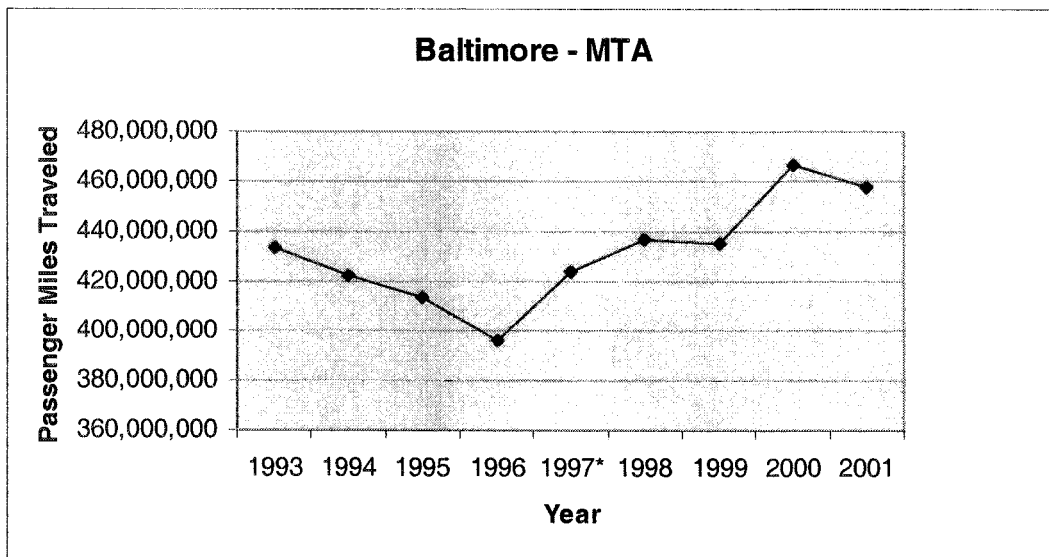
*Extensions of light rail service to an existing system were opened for passengers in August of 1995, June of 1996, and November of 1997. A 3.5% increase in ridership occurred for this UZA between the years 1994 and

1995. An 18.9% increase in ridership occurred for this UZA between the years 1995 and 1996. A 6.7% increase in ridership occurred for this UZA between the years 1996 and 1997.

This positive trend in transit ridership in the San Diego UZA, apparently associated with New Starts projects, provides some evidence that the New Starts program is helping achieve the annual FTA performance goal of ridership. However, the insights gained from such analysis are limited, because they do not take into account other changes in the transportation system, which may have contributed to ridership growth. For this reason, FTA has taken significant steps to quantify these positive trends more accurately in future New Starts projects. The agency is establishing a methodology that filters out extraneous factors in reporting ridership data that currently exist (e.g., economic and population trends, transportation network changes, etc.). Specifically, beginning in 2001, FTA now requires each FFGA sponsor to conduct a before and after study to measure the impacts of the New Starts investment on, among other things, ridership.

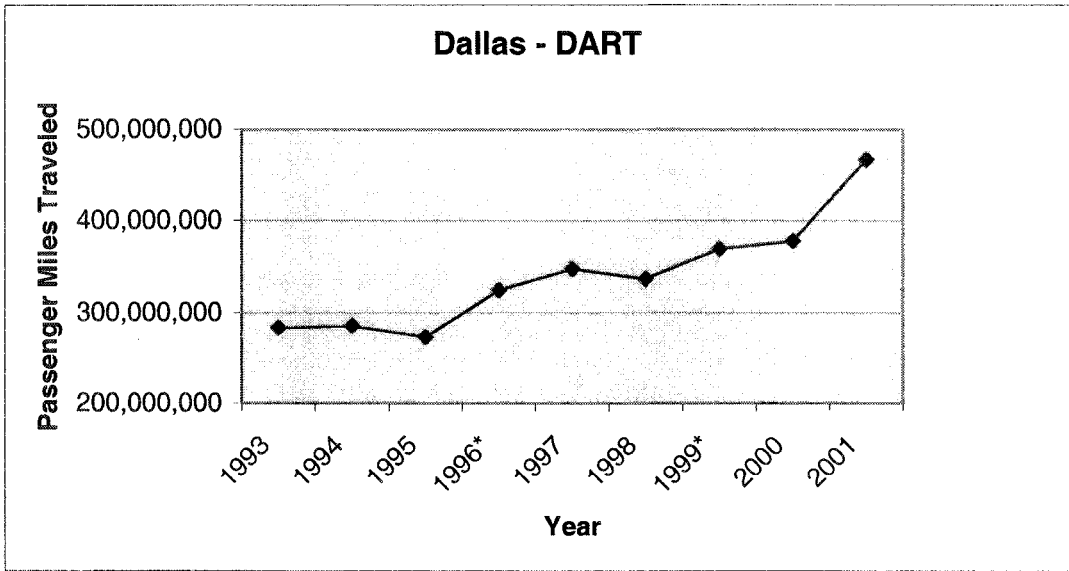
The before and after study requirement will help FTA meet its responsibility to assess the impact of the New Starts program in accordance with the Government Performance and Results Act (GPRA) of 1993. New FFGA projects are beginning to collect their baseline ridership data against which to measure future ridership changes. This data will be invaluable in both demonstrating the success of new New Starts projects and in confirming the positive trends observed in ridership figures from New Starts projects already in operation.

Additional examples of UZAs with increases in transit ridership linked to the New Starts follow:

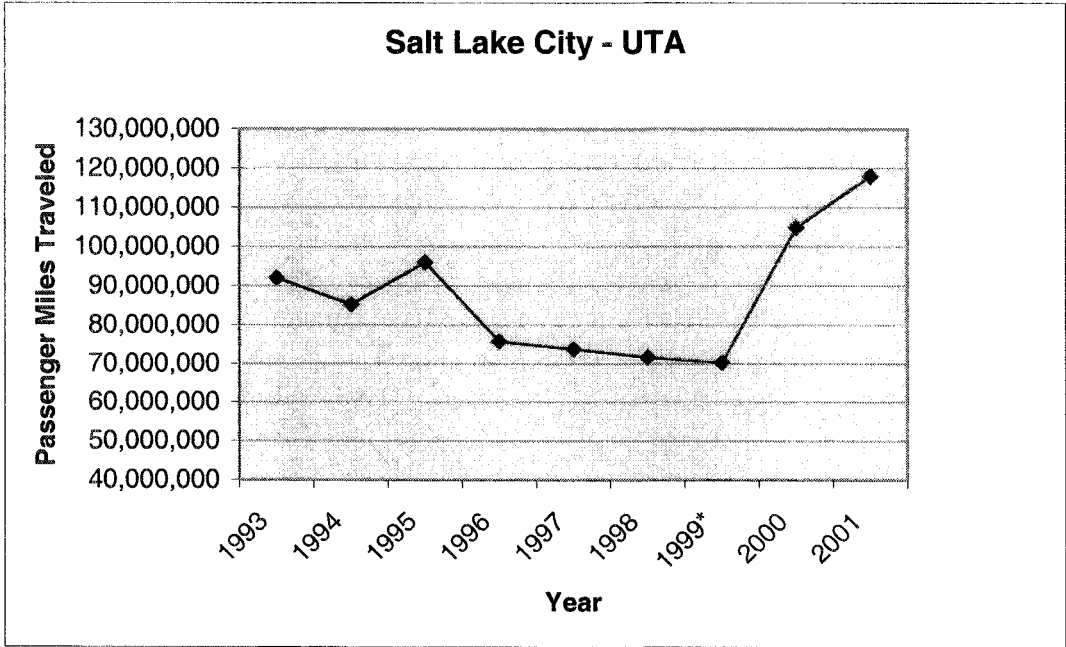


The graphic above illustrates transit ridership for the UZA of Baltimore, MD.

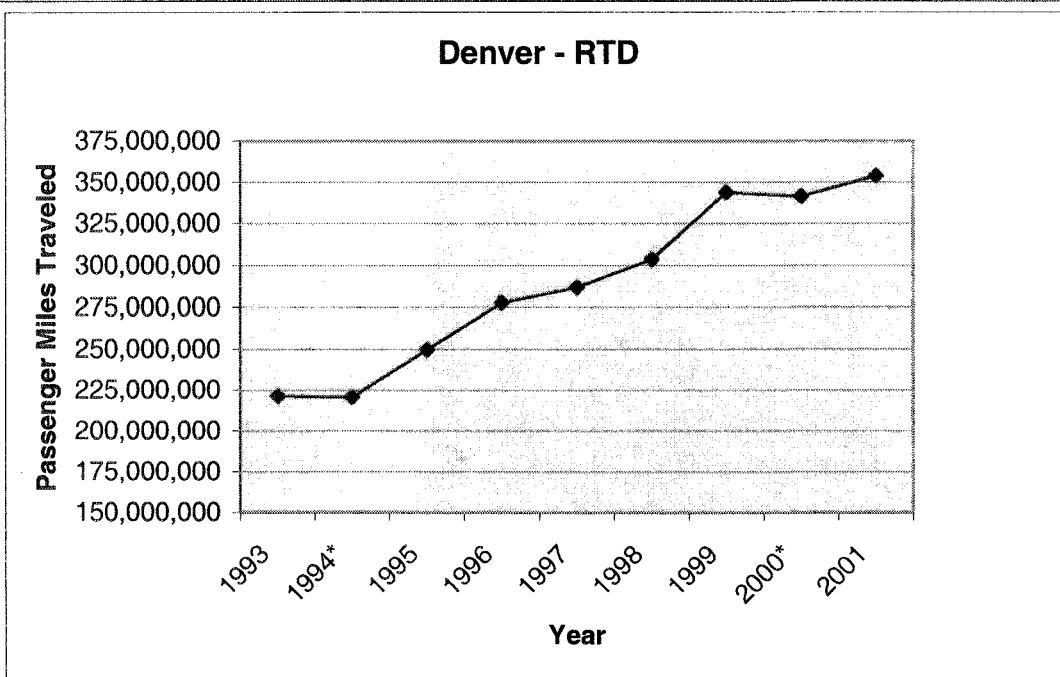
*Three extensions of light rail service were opened for passenger service in September of 1997. A 7.1% increase in ridership occurred for this UZA between the years 1996 and 1997.



The graphic above illustrates transit ridership for the UZA of Dallas-Fort Worth-Arlington, TX. *Light rail was opened for passenger service in June of 1996 and commuter rail was opened for passenger service in December of 1999. An 18.8% increase in ridership occurred for this UZA between 1995 and 1996. A 19% increase in ridership occurred for this UZA between 2000 and 2001.

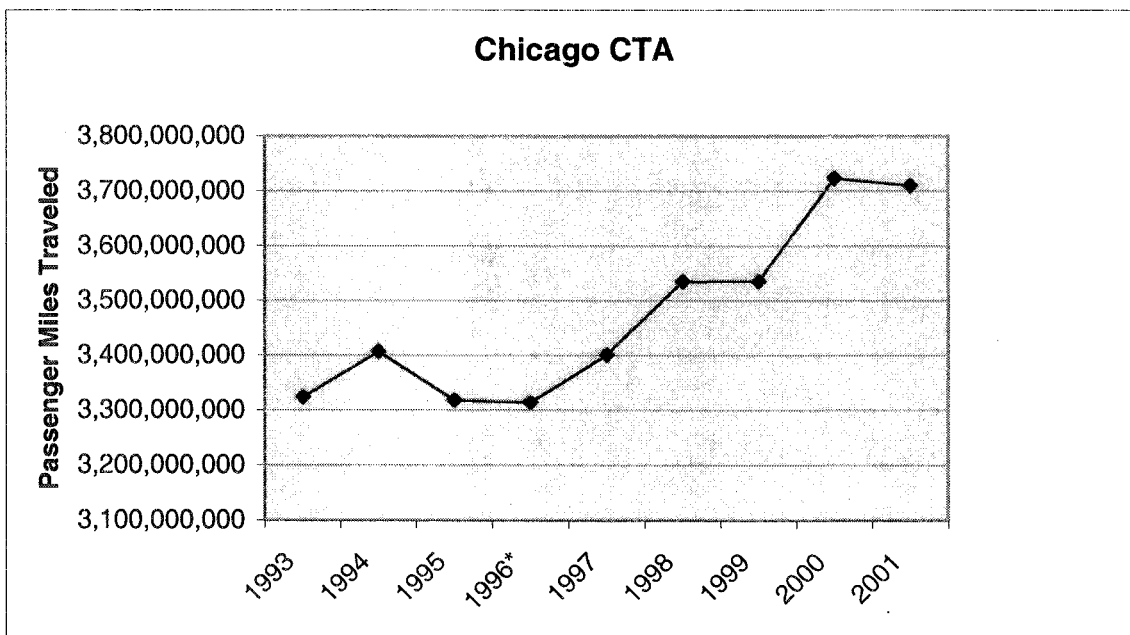


The graphic above illustrates transit ridership for the UZA of Salt Lake City, UT. *Light rail was opened for passenger service in December of 1999. A 49% increase in ridership occurred for this UZA between 1999 and 2000.



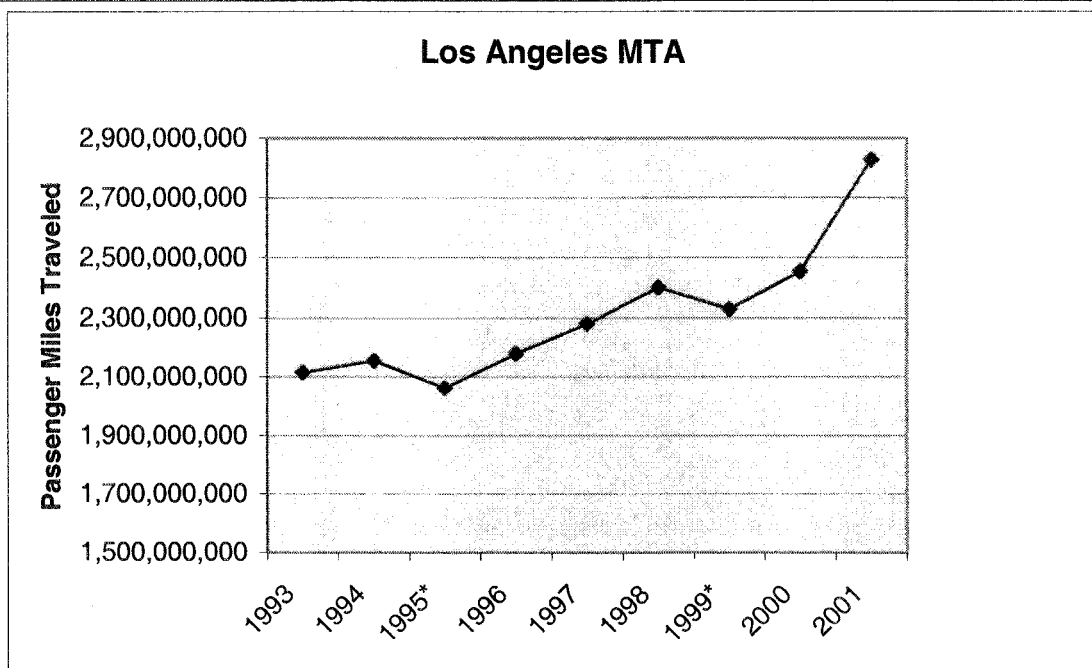
The graphic above illustrates transit ridership for the UZA of Denver-Aurora, CO.

*Light rail was opened for passenger service in October 1994 and additional service July 2000. An 11.5% increase in ridership occurred for this UZA between 1994 and 1995. A 3.67% increase in ridership occurred for this UZA between 2000 and 2001.

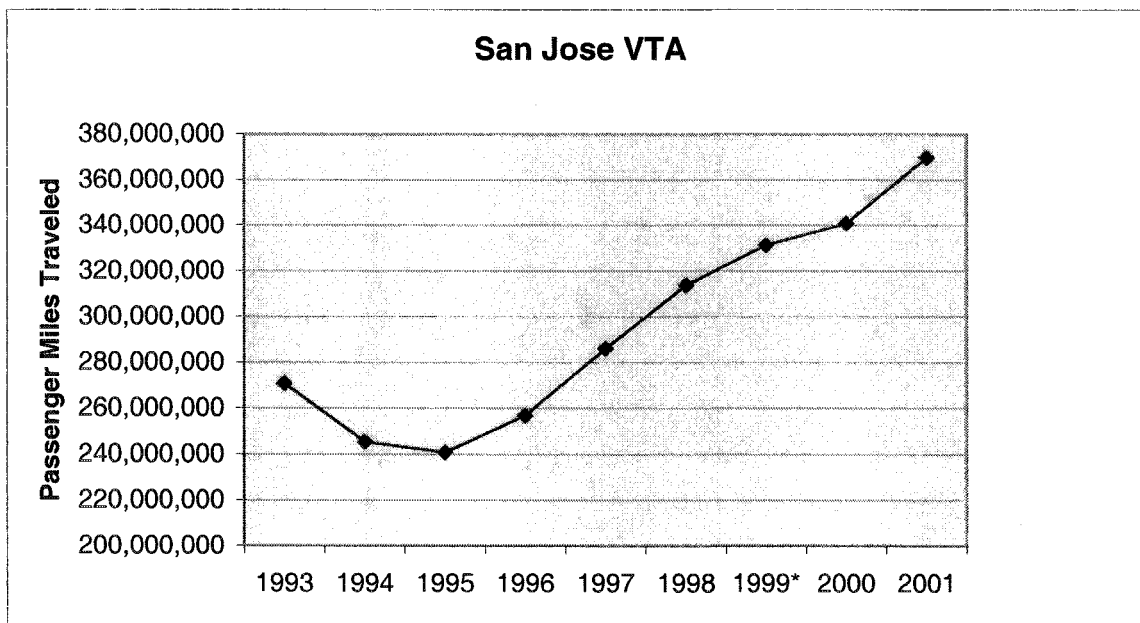


The graphic above illustrates transit ridership for the UZA of Chicago, IL.

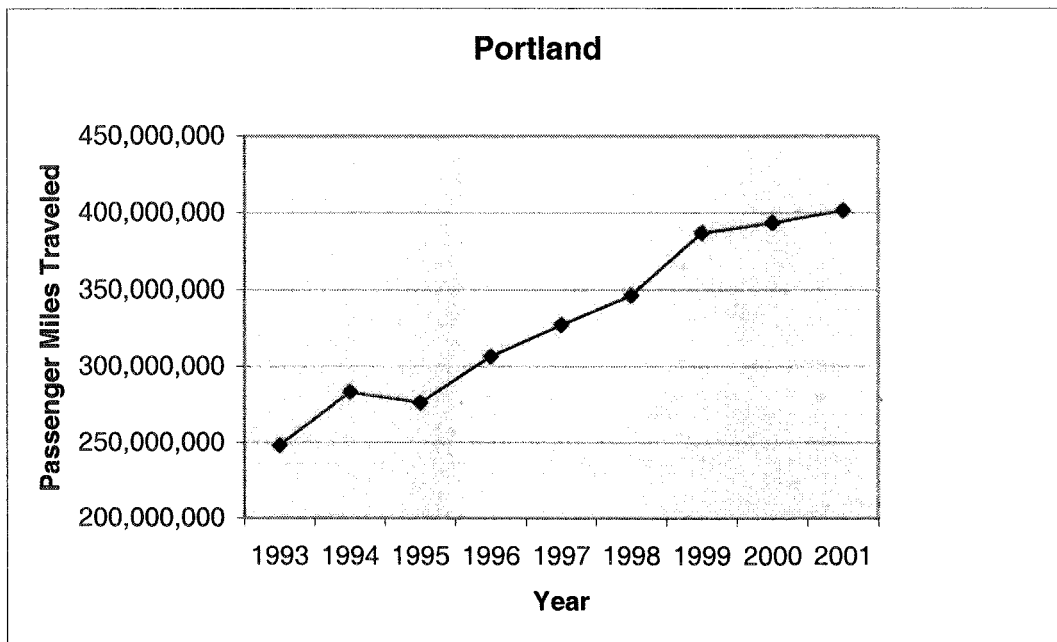
*Commuter rail service was opened for passengers in August 1996. A 2.6% increase in ridership occurred for this UZA between 1996 and 1997.



The graphic above illustrates transit ridership for the UZA of Los Angeles-Long Beach-Santa Ana, CA. *An extension of light rail service to an existing system was opened for passengers in May 1995. An extension of heavy rail service to an existing system was opened for passengers in June 1999. A 5.3% increase in ridership occurred for this UZA between 1995 and 1996. A 5.1% increase in ridership occurred for this UZA between 1999 and 2000.



The graphic above illustrates transit ridership for the UZA of San Jose, CA. *An extension of light rail service to an existing system was opened for passengers in December 1999. A 7.8% increase in ridership occurred for this UZA between 2000 and 2001.



The graphic above illustrates transit ridership for the UZA of Portland, OR-WA.

*An extension of light rail service to an existing system was opened for passengers in late September 1998. A 10.4% increase in ridership occurred for this UZA between 1998 and 1999.

The President's New Starts Funding Recommendations - The President's funding recommendations for New Starts FFGA's are the result of an extensive project development and evaluation process. SAFETEA-LU requires FTA to evaluate each proposed New Starts project according to a series of criteria for project justification and local financial commitment. As proposed projects proceed through the stages of the planning and project development process, they are evaluated against the full range of statutory criteria.

SAFETEA-LU replaced the three-level project rating scale of "Highly Recommended," "Recommended," and "Not Recommended" established by TEA-21 with a five-level scale of "High," "Medium-High," "Medium," "Medium-Low," and "Low." SAFETEA-LU further requires that only those projects which receive an overall rating of *Medium* or higher may be recommended for funding. However, it must be noted that project ratings are intended only to reflect the "worthiness" of each project, not the "readiness" of a project for an FFGA, PCGA, or any other funding recommendation. Proposed projects that are rated *Medium* or higher will be eligible for multi-year funding recommendations in the President's budget if funding is available and the candidate project's proposed scope, cost estimate, and budget are considered final. In addition, notwithstanding their overall project rating, FTA will not generally recommend for funding any project which does not achieve a rating of at least *Medium* for cost effectiveness (even if it receives a *Medium* overall rating).

SAFETEA-LU changes to New Starts:

- A five-level rating system replaced the previous three-level system. Projects will be rated as "High," "Medium-High," "Medium," "Medium-Low," and "Low."
- New consideration is given to the reliability of ridership and cost forecasts.

- There are now more explicit requirements that a project will not degrade local bus service.
- Two incentives are now part of the New Starts process. The Ridership and Cost Estimate Incentive allows higher federal match of project funds when cost and ridership estimates are both within 10 percent of forecasts when entering preliminary engineering. The Cost Control Incentive allows, at the discretion of the Secretary, grantees to keep a portion of their savings when under-runs occur.
- “Before and After” studies are now required by statute.
- A Contractor Performance Assessment Report (CPAR) requires FTA to report annually on the consistency and accuracy of cost and ridership estimates.
- Grantees must consult the CPAR when selecting contractors
- The Supplemental Report to the Annual New Starts Report is eliminated.

Explanation of Funding Changes for New Starts

New Starts	- \$66,182,000
Overview:	
<p>The FY 2008 funding level for New Starts is sufficient to honor all existing, pending and proposed full funding grant agreements in the program and to also provide limited funding to permit FTA to recommend New Starts funding for emerging transit capital investments. FY 2007 marked the introduction of the Small Starts Program for project developers seeking less than \$75 million in capital investment grant funding.</p>	
New Starts:	
<p>Funding the New Starts program at the FY 2008 request will ensure that the Federal Government fulfills its commitment to those FFGAs that have been signed with local communities. The Full Funding Grant Agreements in the New Starts program should represent a firm commitment, once issued, to allow project sponsors to take maximum advantage of this instrument. Under-funding FFGAs has a negative impact and ripple effect on the ability of local officials and project sponsors to keep project schedules on time and to control costs. Not only can funding shortages necessitate stretching out project construction schedules, with inevitable cost increases to the project, but they also create cash flow shortfalls that must be made up through short-term borrowing.</p> <p>In the past, grantees have used their FFGA to obtain letters-of-credit at favorable rates. It should be noted that lending institutions review these commitments closely and monitor the level of appropriations versus the Federal commitments detailed in FFGAs. If lending institutions determine that FFGAs are no longer a stable source of Federal funding for projects, they may refuse to accept FFGAs as backing for loans. Losing this credit resource will require replacement either through committing additional bonding capacity or through short term borrowing at a much higher rate.</p>	
<p>The Program Assessment Rating Tool (PART) analysis of the New Starts program completed</p>	

during the FY 2005 budget process affirmed that the program is well managed, administered effectively and appropriately and, as a result, is helping FTA meet the Department of Transportation's reduced congestion goal.

Detailed Justification for Capital Investment Grants Less Than \$75,000,000 (Small Starts)

Small Starts	FY 2008 Request: \$100,000,000
<p>Overview: Capital Investment Grants Less Than \$75,000,000, or "Small Starts," include requests under \$75 million for new fixed guideway systems and extensions for existing systems, and bus corridor improvements including Bus Rapid Transit. Overall funding for individual projects can not exceed \$250 million. Small Starts will have an expedited criteria and project development process to allow the benefits of such projects to be realized more readily.</p>	
<p>FY 2007 Base: Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.</p>	
<p>Anticipated FY 2007 Accomplishments:</p> <ul style="list-style-type: none"> • SAFETEA-LU established a new program category known as Small Starts for projects with a total cost of under \$250 million and New Starts funding less than \$75 million. To initiate implementation of this program, FTA published interim guidance on the Small Starts program to allow project sponsors to apply for consideration in the FY 2008 budget, and advance projects into project development. • Additional guidance and application instructions for sponsors of projects seeking New and Small Starts funding will be published for comment in February and issued in final form in April, along with the Reporting Instructions that describes information needed from grantees for FTA to rate their project. • For both the New Starts and Small Starts programs, FTA is in the process of issuing a regulation to update the existing Major Capital Investment regulation (49 CFR Part 611). In January 2006, FTA issued an Advanced Notice of Proposed Rulemaking for Small Starts and Policy Guidance for New Starts to seek public comment on proposed changes. Currently, FTA is in the process of finalizing the Notice of Proposed Rulemaking for an anticipated publication in early Spring 2007. • Since issuing the ANPRM and Policy Guidance, FTA has held more than a dozen listening sessions to receive feedback from the public on all these proposed changes. • FTA expects to issue the Final Rule on New Starts and Small Starts in 2008. 	
<p>FY 2008 Budget Request: For FY 2008, FTA requests a total of \$100 million for Small Starts. A total of \$51.82 million is recommended for four Small Starts - Project Construction Grant Agreements (PCGA), while \$48.18 million in Small Starts funding is proposed to be reserved for other candidate projects that emerge over the next several months.</p>	

**Federal Transit Administration
Proposed FY 2008 Section 5309 New Starts**

			FY 2008 President's Budget
A. Existing Full Funding Grant Agreements (FFGAs)			
1 AZ	Central Phoenix/East Valley Light Rail	Phoenix	\$90,000,000
2 CA	Metro Gold Line Eastside Extension	Los Angeles	80,000,000
3 CO	Southeast Corridor LRT	Denver	78,784,758
4 DC	Largo Metrorail Extension	Washington	35,000,000
5 IL	Ravenswood Line Extension	Chicago	40,000,000
6 NJ	Hudson-Bergen MOS-2	Northern NJ	55,192,995
7 NY	Long Island Rail Road East Side Access	New York	215,000,000
8 PA	North Shore LRT Connector	Pittsburgh	33,516,444
9 TX	Northwest/Southeast LRT MOS	Dallas	86,250,000
10 UT	Weber County to Salt Lake City Commuter Rail	Salt Lake City	80,000,000
11 WA	Central Link Initial Segment	Seattle	70,000,000
Subtotal Existing FFGAs			\$863,744,197
B. Pending Full Funding Grant Agreements			
1 CO	West Corridor LRT	Denver	\$40,000,000
2 OR	South Corridor I-205/Portland Mall LRT	Portland	80,000,000
Subtotal Pending FFGAs			\$120,000,000
C. Proposed Full Funding Grant Agreements			
1 NY	Second Avenue Subway	New York	\$200,000,000
2 WA	University Link LRT Extension	Seattle	10,000,000
Subtotal Proposed FFGAs			\$210,000,000
D. Other Projects (Funding Not Allocated to Specific Projects)			
1 CT	New Britain-Hartford Busway	Hartford	
2 MN	Northstar Corridor Rail	Minneapolis-Big Lake	
3 TX	North Corridor BRT	Houston	
4 TX	Southeast Corridor BRT	Houston	
5 VA	Dulles Corridor Metrorail Project-Extension to Wiehle Ave.	Northern Virginia	
6 VA	Norfolk LRT	Norfolk	
Subtotal Other Projects			\$72,075,623
E. Small Starts			
1 CA	Metro Rapid Bus System Gap Closure	Los Angeles	\$16,681,000
2 MO	Troost Corridor BRT	Kansas City	6,260,000
3 OR	Pioneer Parkway EmX BRT	Springfield	14,800,000
4 WA	Pacific Highway South BRT	King County	14,076,000
	Other Small Starts Projects		48,183,000
F. Subtotal Small Starts			\$100,000,000
G. Other Funding			
	Oversight Activities (1%)		13,998,180
	Ferry Capital Projects (AK or HI)		15,000,000
	Denali Commission		5,000,000
Subtotal Other Funding			33,998,180
GRAND TOTAL			1,399,818,000

Detailed Justification for Oversight Program (non-add):

Oversight Program (non-add)	FY 2008 Request: \$13,998,180
<p>Overview:</p> <p>The Oversight Program, authorized under 49 U. S. C. 5327, is a critical element of the FTA’s effort to ensure that Federal funds are cost-effectively utilized in accordance with applicable laws and regulations. Set-aside funding for the FTA Oversight Program was initially authorized in 1987 to provide FTA with an ability to better oversee the implementation of major capital projects. Recognizing that Federal oversight of the transit program was needed not only for major capital projects, but other program areas as well, the funding authority was expanded in FY 1990 to include “...<i>safety, procurement, management and financial compliance reviews, and audits of any recipient of funds...</i>” under the Federal transit assistance programs.</p> <p>TEA-21, section 3024, confirmed the importance of the oversight program, extending its funding to include the authority, “...<i>to provide technical assistance to correct deficiencies identified in compliance reviews and audits carried out under this section.</i>” Additionally, SAFETEA-LU provided for an expanded program of New Starts projects that required additional oversight resources.</p> <p>FTA’s grants management oversight program consists of a number of different types of reviews, including project and financial management oversight of major capital investment projects, as well as safety and security, procurement, and management oversight of all FTA grantees.</p> <p>SAFETEA-LU provides for set-sides from the following programs:</p> <ul style="list-style-type: none">• 0.5 percent of section 5305 – Metropolitan and Statewide Planning• 0.75 percent from section 5307 - Urbanized Area Formula Grants• 1.0 percent from section 5309 - Bus and Bus facilities and Fixed Guideway Modernization• 0.5 percent from section 5310 - Formula Grants for Special Needs for Elderly Individuals and Persons with Disabilities• 0.5 percent from section 5311 - Formula Grants for Other than Urbanized Area Formula Grants <p>The FY 2008 President’s Budget includes language to increase the amount available for oversight by applying a 1.0 percent take-down on Job Access and Reverse Commute, New Freedom, and National Research program funding.</p> <p>In FY 2008, oversight from Capital Investment Grants is \$13.9 million. Oversight from Formula and Bus Grants equals \$60.2 million, and Research and University Research Centers equals \$.4 million for a total of \$74.5 million for these programs.</p>	

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.

Anticipated FY 2007 Accomplishments:

Project Management Oversight – The PMO program will provide additional engineering support in the form of project capacity and cost analysis, real estate and uniform act conformance, risk assessments of project cost/schedule/safety, construction security, and change order reviews.

DEPARTMENT OF TRANSPORTATION
 FEDERAL TRANSIT ADMINISTRATION
 RESEARCH TRAINING AND HUMAN RESOURCES

Program and Financing (in millions of dollars)

Identification code : 69-1121-0-1-401	2006 Actual	2007 Est.	2008 Est.	
Obligations by program activity:				
00.01	Direct Program Activity	...	1	...
10.00	Total new obligations (object class 41.0).....	...	1	...
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year.....	...	1	...
22.10	Resources available from recoveries of prior year obligations.....	1	...	...
23.90	Total budgetary resources available for obligation.....	1	1	...
23.95	Total new obligations.....	...	-1	...
24.40	Unobligated balance carried forward, end of year.....	1	...	...
Change in obligated balances:				
72.40	Obligated balance, start of year.....	1	...	1
73.10	Total new obligations.....	...	1	...
73.45	Recoveries of prior year obligations.....	-1	...	...
74.40	Obligated balance, end of year.....	...	1	1
Net budget authority and outlays:				
89.00	Budget authority.....	...	...	...
90.00	Outlays.....	...	...	...

RESEARCH, TRAINING, AND HUMAN RESOURCES

PROGRAM AND PERFORMANCE

Since 2006, the activities of this account have been funded in the Research and University Research Centers account.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
INTERSTATE TRANSFER GRANTS-TRANSIT**

Program and Financing (in millions of dollars)

Identification code : 69-1127-0-1-401		2006	2007	2008
		Actual	Est.	Est.
Obligations by program activity:				
00.01	Direct Program Activity	2	...	...
10.00	Total new obligations (object class 41.0).....	2	...	...
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year.....	-18	...	...
22.00	New budget authority (gross).....	19	...	...
22.10	Resources available from recoveries of prior year obligations.....	1	...	...
23.90	Total budgetary resources available for obligation.....	2	...	...
23.95	Total new obligations.....	-2	...	...
24.40	Unobligated balance carried forward, end of year.....	...	...	...
New budget authority (gross), detail:				
Discretionary				
Spending authority from offsetting collections:				
58.00	Offsetting collections (cash).....	19	...	...
Change in obligated balances:				
72.40	Obligated balance, start of year.....	4	5	3
73.10	Total new obligations.....	2	...	...
73.20	Total outlays (gross).....	...	-2	-2
73.45	Recoveries of prior year obligations.....	-1	...	...
74.40	Obligated balance, end of year.....	5	3	1
Outlays (gross), detail:				
86.93	Outlays from discretionary balances.....	...	2	2
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources.....	-19	...	...
Net budget authority and outlays:				
89.00	Budget authority.....	...	...	...
90.00	Outlays.....	-19	2	2

**INTERSTATE TRANSFER GRANTS—TRANSIT
PROGRAM AND PERFORMANCE**

This account funds transit capital projects substituted for previously withdrawn segments of the Interstate Highway System under the provisions of 23 U.S.C. 103(e)(4).

DEPARTMENT OF TRANSPORTATION
 FEDERAL TRANSIT ADMINISTRATION
 WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Program and Financing (in millions of dollars)

		2006	2007	2008
Identification code : 69-1128-0-1-401		Actual	Est.	Est.
Budgetary resources available for obligation:				
24.40	Unobligated balance carried forward, end of year.....	...	...	...
Change in obligated balances:				
72.40	Obligated balance, start of year.....	7	3	1
73.20	Total outlays (gross).....	-4	-2	-1
74.40	Obligated balance, end of year.....	3	1	...
Outlays (gross), detail				
86.93	Outlays from discretionary balances.....	4	2	1
Net budget authority and outlays:				
89.00	Budget authority.....	...	...	...
90.00	Outlays.....	4	2	1

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

PROGRAM AND PERFORMANCE

The National Capital Transportation Amendments of 1979 (Stark-Harris) authorized \$1.7 billion in Federal funds to support the construction of the Washington Metrorail system. In addition, the National Capital Transportation Amendments of 1990 authorized another \$1.3 billion in Federal capital assistance to complete construction of the planned 103-mile system. The Federal commitment to complete the 103-mile system was fully funded in 1999. No new budget authority is proposed.

Miscellaneous
Expired Accounts

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
MISCELLANEOUS EXPIRED ACCOUNTS**

Program and Financing (in millions of dollars)

Identification code : 69-1122-0-1-401		2006	2007	2008
		Actual	Est.	Est.
Change in obligated balances:				
72.40	Obligated balance, start of year.....	1	1	1
74.40	Obligated balance, end of year.....	1	1	1
Net budget authority and outlays:				
89.00	Budget authority.....	...	...	...
90.00	Outlays.....	...	...	...

MISCELLANEOUS EXPIRED ACCOUNTS
PROGRAM AND PERFORMANCE

This schedule displays program balances that are no longer required.

DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
DISCRETIONARY GRANTS

Program and Financing (in millions of dollars)

Identification code : 69-8191-0-7-401	2006 Actual	2007 Est.	2008 Est.
Obligations by program activity:			
00.01	36	7	...
10.00	36	7	...
Budgetary resources available for obligation:			
21.40	28	7	...
22.10	15	...	...
23.90	43	7	...
23.95	-36	-7	...
24.40	7	...	...
Change in obligated balances:			
72.40	196	125	79
73.10	36	7	...
73.20	-92	-53	-40
73.45	-15	...	...
74.40	125	79	39
Outlays (gross), detail:			
86.93	92	53	40
Net budget authority and outlays:			
89.00	...	...	...
90.00	92	53	40
Memorandum (non-add) entries:			
93.03	...	...	...
93.04	...	...	...

Trust Funds

DISCRETIONARY GRANTS

**(LIQUIDATION OF CONTRACT AUTHORIZATION)
(HIGHWAY TRUST FUND)**

PROGRAM AND PERFORMANCE

In 2008, no additional liquidating cash is requested to pay previous obligations in the Discretionary Grants account.

**FORMULA AND BUS GRANTS
(LIQUIDATION OF CONTRACT AUTHORITY)
(LIMITATION ON OBLIGATIONS)**

For payment of obligations incurred in carrying out the provisions of 49 U.S.C. 5305, 5307, 5308, 5309, 5310, 5311, 5316, 5317, 5320, 5335, 5339, and 5340 and section 3038 of Public Law 105–178, as amended, \$6,885,000,000, to be derived from the Mass Transit Account of the Highway Trust Fund and to remain available until expended: Provided, That funds available for the implementation or execution of programs authorized under 49 U.S.C. 5305, 5307, 5308, 5309, 5310, 5311, 5316, 5317, 5320, 5335, 5339, and 5340 and section 3038 of Public Law 105–178, as amended, shall not exceed total obligations of \$7,871,895,000 in fiscal year 2008.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109–289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
FORMULA AND BUS GRANTS**

Program and Financing (in millions of dollars)

Identification code : 69-8350-0-7-401	2006 Actual	2007 Est.	2008 Est.	
Obligations by program activity:				
Direct program				
00.01	Urbanized area programs.....	2,818	3,920	5,259
00.02	Fixed guideway modernization.....	1,005	1,214	1,701
00.03	Bus and bus facility grants.....	229	920	1,208
00.04	Over-the-road bus.....	...	9	12
00.05	Clean Fuels Program.....	1	40	56
00.06	Planning Programs.....	89	86	120
00.07	State administered programs.....	503	751	1,025
00.08	Alternative analysis program.....	5	28	35
00.09	Alternative Transportation in Parks and Public Lands.....	2	26	34
10.00	Total new obligations.....	4,652	6,994	9,450
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year Contract Authority	29	3,658	3,854
22.00	New budget authority (gross).....	8,281	7,190	7,873
23.90	Total budgetary resources available for obligation.....	8,310	10,848	11,727
23.95	Total new obligations.....	-4,652	-6,994	-9,450
24.40	Unobligated balance carried forward, end of year Contract Authority	3,658	3,854	2,277
New budget authority (gross), detail:				
Discretionary:				
40.26	Appropriation (trust fund)	1,500	4,660	6,885
40.49	Portion applied to liquidate contract authority used	-2,871	-4,660	-6,885
41.00	Transferred to other accounts [69-8083]	-12	...	...
42.00	Transferred from other accounts [69-8083]	1,383	...	...
43.00	Appropriation (total discretionary).....	...	...	...
49.00	Contract authority.....	...	-73	...
Spending authority from offsetting collections:				
58.00	Offsetting collections (cash).....	3	...	...
58.61	Transferred to other accounts [69-8083]	-3	...	...
58.90	Spending authority from offsetting collections (total discretionary).....	...	...	...

(Continued on next page)

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
FORMULA AND BUS GRANTS**

Program and Financing (in millions of dollars)

(Continued from previous page)

Identification code : 69-8350-0-7-401	2006 Actual	2007 Est.	2008 Est.	
New budget authority (gross), detail (cont.):				
Mandatory:				
66.10	Contract authority.....	6,980	7,263	7,873
66.35	Contract authority permanently reduced.....	-70	...	...
66.61	Transferred to other accounts [69-8083].....	-12	...	...
66.62	Transferred from other accounts [69-8083].....	1,383	...	...
66.90	Contract authority (total mandatory).....	8,281	7,263	7,873
70.00	Total new budget authority (gross).....	8,281	7,190	7,873
Change in obligated balances:				
72.40	Obligated balance, start of year.....	...	2,789	5,709
73.10	Total new obligations.....	4,652	6,994	9,450
73.20	Total outlays (gross).....	-1,863	-4,074	-5,759
74.40	Obligated balance, end of year.....	2,789	5,709	9,400
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority.....	1,863	1,728	1,968
86.93	Outlays from discretionary balances.....	...	2,346	3,791
87.00	Total outlays (gross).....	1,863	4,074	5,759
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources.....	-3	...	...
Net budget authority and outlays:				
89.00	Budget authority.....	8,278	7,190	7,873
90.00	Outlays.....	1,860	4,074	5,759
Memorandum (non-add) entries:				
93.01	Unobligated balance, start of year: Contract Authority.....	29	3,658	...
93.02	Unobligated balance, end of year: Contract Authority.....	3,658	...	...
93.03	Obligated balance, start of year: Contract Authority.....	...	2,789	...
93.04	Obligated balance, end of year: Contract Authority.....	2,789	...	...

FORMULA AND BUS GRANTS

PROGRAM AND PERFORMANCE

For 2008, all programs within the Formula and Bus Grant account are funded from the Mass Transit Account of the Highway Trust Fund.

Formula and Bus Grants are funded by contract authority provided in SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users) P.L. 109-59. Formula Grant funds can be used for all transit purposes including planning, bus and railcar purchases, facility repair and construction, maintenance and where eligible, operating expenses. These funds help transit systems alleviate congestion, ensure basic mobility, promote economically vibrant communities and meet the requirements of the Americans with Disabilities Act (ADA) and the Clean Air Act (CAA).

Urbanized Area Formula.—\$4,279.8 million in funds will be apportioned to areas with populations of 50,000 or more. Funds may be used for any transit capital purpose, including preventive maintenance for capital assets in urban areas over 200,000 in population. In urban areas under 200,000, both capital and operating costs are eligible expenditures. Urbanized Area Formula includes funding for the Growing States Program, which distributes funds to the Urbanized and Non-urbanized Area Formula programs under differing factors.

Fixed Guideway Modernization.—\$1,569.8 million for the acquisition, reconstruction and improvement of facilities and equipment for use on fixed guideways, including heavy and light rail, commuter rail, and ferryboat operations. Funding for this program will help ensure that the Nation's older fixed guideway systems continue to meet the transportation needs of the communities they serve.

Bus and Bus Facility Grants.—\$927.6 million to provide investments in bus and bus-related capital projects that enhance the efficiency and safety of the nation's bus systems.

State Administered Programs.—\$876.9 million. Nonurbanized Area Formula—\$506.5 million will be apportioned to a legislative formula based on each State's nonurban areas with populations of less than 50,000. Available funding may be used to support intercity bus service as well as to help meet rural and small urban areas' transit needs, including \$8.8 million for the Rural Transit Assistance Program. Nonurbanized Area Formula includes funding for the Growing States Program. Formula Grants for Elderly and Individuals with Disabilities—\$127 million will be apportioned to each State according to a legislatively required formula for the purchase of vehicles and equipment and for transportation services under a contract, lease or similar arrangement. Job Access and Reverse Commute—\$156 million, to be apportioned to the States by formula to provide grants to non-profit organizations and local transit agencies to fund transportation services in urban, suburban and rural areas to assist welfare recipients and low-income individuals to access employment opportunities. Federal transit funds provide 50 percent

of the project costs, with grant recipients supplying the remaining 50 percent from local or Federal sources, other than the Department of Transportation. New Freedom Program—\$87.5 million, to provide additional tools to overcome significant barriers facing Americans with disabilities seeking access to jobs and integration into the workforce.

Planning.—\$107 million to fund metropolitan and statewide planning activities.

Over-the-Road Bus Accessibility Program.—\$8.3 million for the Rural Transportation Accessibility Incentive Program established in TEA-21. Funding will assist operators of over-the-road buses in financing the incremental capital and training costs of complying with the Department of Transportation's final rule regarding disabled accessibility of over-the-road buses required by the ADA.

Clean Fuels Grant Program.—\$49 million to provide financing for the purchase or lease of clean fuel buses and facilities and the improvement of existing facilities to accommodate these buses. This includes buses powered by compressed natural gas, biodiesel fuels, batteries, alcohol-based fuels, hybrid electric, fuel cell and certain clean diesel (up to 25 percent of grants annually), and other low or zero emissions technology.

Alternatives Analysis Program.—\$25 million provided for transit projects in the early stage of development and to investigate transit alternatives to solving local transportation problems.

Alternative Transportation in Parks and Public Lands.— \$25 million to enhance the protection of America's national parks and increase the enjoyment of those visiting the parks. The goals of the Alternative Transportation in Parks program include ensuring access for all, including individuals with disabilities; improving conservation and park and public land opportunities in urban areas through partnering with State and local governments; and improving park and public land transportation.

National Transit Database (NTD).—\$3.5 million for operation and maintenance of the NTD system, a database of statistics on the transit industry, which is Congressionally mandated under 49 U.S.C. 5335(a)(1)(2). The NTD provides for the national collection and dissemination of a uniform system of transit system financial accounts and operating data. As set forth in legislative formulas, these data are used in the national allocation of FTA formula funding.

This account was renamed in FY 2006 from Trust Fund Share of Expenses consistent with the account restructuring in SAFETEA-LU.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
FORMULA AND BUS GRANTS**

Object Classification (in thousands of dollars)

		2006	2007	2008
Identification code : 69-8350-0-7-401		Actual	Est.	Est.
Direct obligations:				
25.2	Other services.....	21,816	52,834	70,820
41.0	Grants, subsidies, and contributions.....	4,630,614	6,940,955	9,379,157
99.9	Total new obligations.....	4,652,430	6,993,789	9,449,977

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

**STATUS OF THE MASS TRANSIT ACCOUNT OF THE HIGHWAY TRUST FUND
(in millions of dollars)**

	2006 Actual	2007 Est.	2008 Est.
Unexpended balance, start of year.....	1,950	6,204	7,072
Cash income during the year, Governmental receipts:			
Motor fuel taxes.....	4,838	4,994	5,091
Cash outlays during the year:			
Discretionary Grants	92	53	40
Formula and Bus Grants.....	1,860	4,074	5,759
Total annual outlays.....	1,952	4,127	5,799
Adjustments.....	1,368	...	...
Unexpended balance, end of year.....	6,204	7,072	6,364

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

**FORMULA AND BUS GRANTS
Summary by Program Activity
Appropriation, Obligation Limitation, and Exempt Obligations
(\$000)**

	FY 2006 Enacted 5/	FY 2007 Continuing Resolution	FY 2007 Pres. Budget	FY 2008 Request 6/	FY07 to FY08 Change	FY 07 to FY 08 Change, %
Urbanized Area Formula Grants ¹	\$3,756,205	\$3,756,205	\$3,947,302	\$4,279,773	\$332,471	8.4
Fixed Guideway Modernization ²	1,377,090	1,377,090	1,448,000	1,569,801	121,801	8.4
Bus and Bus Facility Grants ³	838,990	837,877	855,500	927,632	72,132	8.4
Over-the-Road Bus Accessibility	7,425	7,425	7,600	8,299	699	9.1
Clean Fuels Grant Program ⁴	17,607	18,721	45,000	48,994	3,994	8.9
Planning Programs	94,050	94,050	99,000	106,986	7,986	8.1
Formula Grants for Special Needs for Elderly Individuals and Individuals with Disabilities	110,880	110,880	117,000	126,984	9,984	8.5
Formula Grants for Other Than Urbanized Area ¹	444,049	444,049	466,873	506,464	39,591	8.5
Job Access and Reverse Commute Formula Program	136,620	136,620	144,000	155,980	11,980	8.3
New Freedom Program	77,220	77,220	81,000	87,489	6,489	8.0
National Transit Database	3,465	3,465	3,500	3,500	0	0
Alternative Analysis Program	24,750	24,750	25,000	24,997	(3)	-0.1
Alternative Transportation in Parks and Public Lands	<u>21,780</u>	<u>21,780</u>	<u>23,000</u>	<u>24,997</u>	<u>1,997</u>	<u>8.7</u>
Total - Formula and Bus Grants	\$6,910,132	\$6,910,132	\$7,262,775	\$7,871,895	\$609,120	+8.4

¹ Includes funding for the Growing States and High Density States Formula programs, distributed in accordance with the provisions in P.L. 109-59.

² FY 2006 includes \$47,288,340 to be transferred as an expenditure transfer to Capital Investment Grants pursuant to P.L. 109-115.

³ FY 2006 includes \$5,692,000 to be transferred as an expenditure transfer to the Maritime Administration pursuant to P.L. 109-59.

⁴ FY 2006 funding, except for those projects in section 3044(b)(1) of P.L. 109-59, was transferred to Bus and Bus Facilities pursuant to P.L. 109-115.

⁵ Does not include \$1.38 billion in "flex funds" transferred from Federal Highway Administration.

⁶ The Obligation Limitation in SAFETEA-LU Section 3040, is \$998,000 less than the Contract Authority.

Program and Performance Statement:

This account provides the necessary resources to support Formula and Bus Grant activities and to help achieve the Department's performance goals of increasing transit ridership, improving the average condition of bus and rail fleets, improving access to public transportation for physically challenged individuals, and making transit safer.

Formula grants provide a stable and reliable source of funding for capital and preventive maintenance activities that help maintain the condition of federally funded capital assets.

FORMULA AND BUS GRANTS
Summary Analysis of Change from FY 2007 to FY 2008
Appropriation, Obligation Limitation, and Exempt Obligations
(\$000)

Item	Change From FY 2007 to FY 2008	FY 2008 PC&B By Program	FY 2008 FTEs By Program	FY 2008 Contract Expenses	Total
FY 2007 Base (President's Budget)					
Formula and Bus Grants Appropriation, Obligation Limitation, and Exempt Obligations					\$7,262,775
Adjustments to Base					
Urbanized Area Formula Grants	\$332,471				
Fixed Guideway Modernization	121,801				
Bus and Bus Facility Grants	72,132				
Over-the-Road Bus Accessibility	699				
Clean Fuels Grant Program	3,994				
Planning Programs	7,986				
Formula Grants for Special Needs for Elderly Individuals and Individuals with Disabilities	9,984				
Formula Grants for Other Than Urbanized Areas	39,591				
Job Access and Reverse Commute Formula Program	11,980				
New Freedom Program	6,489				
National Transit Database	0				
Alternative Analysis Program	(3)				
Alternative Transportation in Parks and Public Lands	1,997				
Subtotal, Adjustments to Base					609,120
New or Expanded Programs					
Subtotal, New or Expanded Program Increases/ Decreases					0
Total FY 2008 Request					\$7,871,895

Detailed Justification for Urbanized Area Formula Grants:

Urbanized Area Formula Grants

FY2008 Request: \$4,279,772,620

Overview:

Urbanized Area Formula funds provide communities with the flexibility to use their resources to address many transit needs. Funds are eligible for the purchase of new buses, for adequate maintenance of existing buses, and for the purchase and adequate maintenance of bus related capital. The Urbanized Area Formula program makes Federal resources available to urbanized areas with a population of 50,000 or more. Formula grant funding can be used for all capital transit purposes and, in areas under 200,000 in population, for operating assistance. These resources help maintain the condition of Federally funded capital assets in order to provide safe, reliable transit services, thereby supporting the ridership goal.

Eligible capital expenses include: planning; bus, van, railcar, intelligent transportation systems (ITS), and equipment purchases; facility repair and construction; new technology introduction; and preventive maintenance. Capital costs also include: incidental expenses of acquisition or construction; costs of rehabilitating or remanufacturing a bus; costs of overhauling and modernizing rail rolling stock and facilities; and certain joint development activities in and around transit stations. Capital costs may also include leasing equipment or a facility for use in public transportation, when these alternatives are more cost-effective than acquisition or construction.

With passage of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy For Users (SAFETEA-LU), the definition of eligible capital expenses has been expanded to include: construction, renovation, and improvement of intercity bus and rail stations and terminals; renovation and improvement of historic transportation facilities; and crime prevention and security, including projects to refine and develop security and emergency response plans to detect chemical and biological agents in public transportation, to conduct emergency response drills with public transportation agencies and local first response agencies, and to train public transportation employees. This excludes all expenses related to operations, other than those expenses incurred in conducting activities described previously. Also included in SAFETEA-LU are eligible expenses related to the establishment of a debt service reserve, made up of deposits with a bondholder's trustee, to ensure the timely payment of principal and interest on bonds issued by a grant recipient to finance an eligible project. Costs associated with mobility management consisting of short-range planning and management activities and projects for improving coordination among public transportation and other transportation providers is also included.

Urbanized Area Formula includes funding for the Growing States and High Density States programs. These programs distribute funds to the Urbanized Area Formula and Other-Than-Urbanized Area Formula programs under new factors. Growing States funding is made available under a formula based on population forecasts for 15 years beyond the most recent Census; amounts apportioned for each state are then

distributed between urbanized areas and rural areas based on the ratio of urban/rural population within each state. The High Density States program distributes the other half of the funds to states with population densities in excess of 370 persons per square mile. These funds are apportioned only to urbanized areas within those states.

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.

Anticipated FY 2007 Accomplishments:

- An estimated 3,880 30-40 foot buses will be purchased with funds under the Urbanized Area Formula Grants program. This will contribute to the Environmental Stewardship goal of reducing emissions from motor vehicles.
- The average condition of bus fleets has shown a gradual improvement since the late 1990s. This reflects continued FTA funding for transit capital investment, including new vehicles. FTA's goal is to maintain an average transit vehicle condition in the "adequate" range.

FY 2008 Budget Request:

The Urbanized Area Formula request for FY 2008 is consistent with the Administration's goal of ensuring that the Nation's transit infrastructure is as safe, efficient, and cost-effective as possible, thus attracting riders and maximizing the mobility, accessibility, economic, and environmental benefits of public transportation. The FY 2008 request strengthens support for the Department's ridership goal by directing funds to those programs that provide performance incentives, transit enhancements, replacement and repair of buses and bus facilities, and the rehabilitation and replacement of urban and rural bus maintenance facilities.

- *Transit Enhancements.* Grantees certify that at least one percent of each urbanized area's apportionment must be used for transit enhancements under the Urbanized Area Formula Program for areas 200,000 and above in population, as required by the Transportation Equity Act of the 21st Century and continued in SAFETEA-LU. A grantee must submit an annual report on transit enhancement projects to FTA. The term "transit enhancement" includes projects that are designed to enhance mass transportation service or use, and are physically or functionally related to transit facilities. Eligible projects under this program include: (1) historic preservation, rehabilitation, and operation of historic mass transportation buildings, structures, and facilities (including historic bus and railroad facilities); (2) bus shelters; (3) landscaping and other scenic beautification, including tables, benches, trash receptacles, and street lights; (4) public art; (5) pedestrian access and walkways; (6) bicycle access, including bicycle storage facilities and installing equipment for transporting bicycles on mass transportation vehicles; (7) transit connections to parks within the recipient's transit service area; (8) signage; and (9) enhanced access for persons with disabilities to mass transportation.

- *Transit Security.* Recipients of Urbanized Area Formula funding are required to use at least one percent of the amount received each fiscal year on “mass transportation security projects” unless the grantee certifies, and the Secretary of Transportation accepts, that the expenditure for security projects is unnecessary. These expenditures support local projects that improve safety and security for the users of public transit and contribute to homeland security.
- In addition, resources in this request help fund the necessary rehabilitation and replacement of the Nation’s urban and rural bus maintenance facilities. The latest statistics indicate that 69 percent of bus maintenance facilities are in “adequate or excellent” condition, a slight improvement since 2002 that reflects the combined long-term commitment to transit by Federal, state and local governments.

Explanation of Funding Changes for Urbanized Area Formula Grants:

Urbanized Area Formula Grants	\$332,470,620
Overview:	
<p>The FY 2008 increase from FY 2007 for this program is due to additional improvements in bus and bus related facilities, as well as replacement and rehabilitation of maintenance facilities. The FY 2008 funding request will ensure that Federally funded capital assets (primarily buses) continue to improve and supply safe, reliable, and efficient transit services to communities throughout the country. Funding less than the requested level would have a negative impact on the performance of these improvements, replacements, rehabilitations, and transit enhancements, thereby increasing the possibility of inefficient, unsafe, and costly transit services.</p>	
Program Results:	
<p>An analysis by the Office of Management and Budget (OMB) of major program contributions to the strategic goal of reduced congestion indicates the prudence of this request. In FY 2005, FTA completed an assessment of its formula grants program using the OMB’s Program Assessment Rating Tool (PART). The results of the PART demonstrated that the formula grants program is effective in increasing ridership and improving the accessibility to public transportation for physically challenged individuals.</p>	

Detailed Justification for Fixed Guideway Modernization:

Fixed Guideway Modernization	FY2008 Request: \$1,569,800,980
Overview:	
<p>The Fixed Guideway Modernization program supports any fixed guideway, which includes heavy rail, light rail, commuter rail, monorail, trolleybus, aerial tramway, inclined plane, cable car, automated guideway transit, ferryboats, high-occupancy vehicle lanes, and any portion of a motor bus service operated on exclusive or</p>	

controlled rights-of-way. Federal funding and local matching funds support the replacement and rehabilitation of the existing rail fleet and restoration of rail facilities, such as stations, track, and yards. Funding also supports the maintenance of operational support equipment. In so doing, it ensures safe, reliable transit services to more riders.

As of FY 2004, there were 120,659 active urban transit vehicles, 10,892 miles of track, 2,961 stations, and 793 rail maintenance facilities. Recent data suggests that the conditions of the Nation's rail structures, track and yards have improved or are better than previously estimated. Rail maintenance facilities in adequate or better condition increased from 80 percent in 2002 to 92 percent in 2004.

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.

Anticipated FY 2007 Accomplishments:

In FY 2004, the average rail vehicle condition was 3.5. Average rail vehicle conditions normally range between 3.0 (adequate) and 4.0 (good). Anything lower than 3.0 would be less than adequate. Some fluctuations will occur in transit vehicle conditions as a normal part of the deterioration and replacement process. FTA's goal is to maintain the average condition of rail vehicles between the adequate and good levels. A substantial increase in public investment to reach the 4.0 level would not be cost effective, as it would require an overly ambitious replacement policy where vehicles are replaced prior to the FTA-mandated minimum replacement age.

FY 2008 Budget Request:

Fixed Guideway Modernization funding provides for cyclical replacement and rehabilitation needs and for construction of facilities for the Nation's older rail and bus transit fixed guideway systems. Maintenance and improvement of the Nation's transit system carries with it a significant return on investment of Federal funds. Below are findings from a 2002 study:

- The Massachusetts Bay Transit Authority's rehabilitation of a six-mile segment of Red Line track in Boston reduced headways from six to five minutes, allowing 6-car trains to replace 4-car trains, and improving seating capacity and travel time. The total capital, operation, and maintenance costs of the project for a 30-year period are estimated to be \$188.3 million. The internal rate of return for the project over the same time frame is estimated to be almost 39 percent annually, for a total of \$3.3 billion in cost savings, yielding a benefit to cost ratio of 17.6 to 1.0 based on reduced congestion.
- The Chicago Transit Authority made a major rail station more accessible and increased its ridership through a modernization project that involved instituting an electronic fare collection system and a new, more accessible entrance to the station adjacent to a university. The cost of this project over a 30 year period

is projected to be \$53 million, compared to a savings of \$2 billion, yielding a benefit to cost ratio of about 38 to 1 based on reduced congestion.

As these examples reflect, FY 2008 funding supports the continued enhancement of fixed guideway systems throughout the country, thus prolonging their available use and ensuring safe, reliable services to more riders.

Explanation of Funding Changes for Fixed Guideway Modernization:

Fixed Guideway Modernization	\$121,800,980
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Overview:

Funding for the fixed guideway modernization activity maintains and improves the conditions of the Nation’s older fixed guideway systems. The FY 2008 increase over FY 2007 for this program will ensure that the Nation’s fixed guideway systems continue to improve and remain a reliable means of transit.

Program Results:

An analysis by the OMB of major program contributions to the strategic goal of reduced congestion indicates the prudence of this request. In FY 2005, FTA completed an assessment of its formula grants program using OMB’s PART. The results of the PART demonstrated that the formula grants program is effective in increasing ridership and improving accessibility to public transportation for physically challenged individuals.

Detailed Justification for Bus and Bus Facility Grants:

Bus and Bus Facility Grants	FY2008 Request: \$927,632,395
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Overview:

The bus and bus facility grants program makes funding available to finance bus and bus-related capital projects that enhance the nation’s transit systems. Recipients of bus and bus-related funding include public transit authorities themselves, as well as states, municipalities, other public agencies of states, and some boards, commissions, and public organizations that are established under state law.

Eligible funding purposes include acquisition of buses for fleet and service expansion, bus maintenance and administrative facilities, transfer facilities, bus mall, transportation centers, intermodal terminals, park-and-ride stations, acquisition of replacement vehicles, bus rebuilds, bus preventative maintenance, passenger amenities (passenger shelters, bus stop signs), accessory and miscellaneous equipment such as mobile radio units, supervisory vehicles, fare boxes, computers, shop and garage equipment, and costs incurred in arranging innovative financing for eligible projects.

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in the FTA’s FY 2007 President’s Budget Request.

Anticipated FY 2007 Accomplishments:

In FY 2007, FTA proposed a Clean Fuels and Electric Drive Bus Deployment (Hybrid-electric) program in response to the 2006 Congressional conferees' direction that FTA encourage and incentivize deployment of new low emission technology, including hybrid electric buses.¹ Hybrid-electric drive bus technologies are recognized as an appealing clean fuel option, with good performance, low emissions, and lower fuel costs. The FTA hybrid-electric program intends to develop a comprehensive approach to addressing existing barriers and challenges to the adoption and deployment of new low emission technology by a greater number of the nation's transit agencies. This includes addressing the need for improvements to the current generation of hybrid electric technologies, including: improving the cost, reliability, and performance of hybrid energy storage systems; demonstrating electrically-driven accessories; and exploring the use of hybrids as a mobile source. Other areas for research include efforts to address emission certification and coordination of research efforts with other Federal and regional programs.

Also in FY 2007, FTA proposed a discretionary program based on evaluation criteria currently under development. Earmarking practices in the bus program in the past have resulted in a high level of unobligated balances, as funding for premature earmarks lay idle. The following criteria, for example, could be used to distribute these funds: expanding bus fleets and infrastructure; enhancing Bus Rapid Transit; using innovative financing or overmatching; using clean fuel technology; and improving accessibility.

FY 2008 Budget Request:

The budget request for bus and bus-related facilities for FY 2008 is \$928 million. A large majority of the urbanized areas in which transit is provided only have bus service. Grantees use increases in these resources to assure that transit service remains safe and reliable. Transit operators must continue to recapitalize this investment by replacing overage vehicles and assuring that bus facilities remain in proper condition.

SAFETEA-LU established the following programs within the Bus and Bus facilities category:

- *Ferry Boat Systems (Section 5307(m)(7)(A))* - \$10,000,000 each year for ferry boats or ferry terminal facilities.
- *Fuel Cell Bus Program (Section 5309(m)(7)(B))* - \$12,750,000 for the national fuel cell bus technology development program.
- *Projects Not in Urbanized Areas (Section 5309(m)(7)(C))* - \$51,026,000 (5.5%) for projects not in urbanized areas.

¹ Joint Explanatory Statement of the Committee of Conference for the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act of 2006 (H.R. 3058); and the House Appropriations Committee Report (H.R. 109-153).

- *Intermodal Terminals (Section 5309(m)(7)(D))* - \$35,000,000 for intermodal terminal projects, including the intercity bus portion of such projects.
- *Bus Testing Facility (Section 5318)* - \$3,000,000 to support the bus testing facility located in Altoona, Pennsylvania.

To achieve our goal of assuring that transit service remains safe, clean and reliable, there must be continuous recapitalizing of this investment by replacing overage vehicles and assuring that bus facilities remain in proper condition. Nationally, 69 percent of the Nation's bus maintenance facilities are presently in "good" or better condition. The requested funding would lower operating cost requirements through improved efficiencies, and funds would also be available for necessary bus and bus-facility investments.

Explanation of Funding Changes for Bus and Bus Facility Grants:

Bus and Bus Facility Grants	\$72,132,395
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Overview:

Funding for this program provides for investments in bus and bus related capital projects that enhance the efficiency and safety of the nation's bus systems. The FY 2008 increase over FY 2007 for this program will ensure that the nation's bus and bus related facilities continue to improve and remain a reliable means of transit.

In FY 2008, FTA proposes a Clean Fuels and Electric Drive Bus Deployment (Hybrid-electric) program in response to the 2006 Congressional conferees' direction that FTA encourage and incentivize deployment of new low emission technology, including hybrid electric buses.² Hybrid-electric drive bus technologies are recognized as an appealing clean fuel option, with good performance, low emissions, and lower fuel costs. The FTA hybrid-electric program intends to develop a comprehensive approach to addressing existing barriers and challenges to the adoption and deployment of new low emission technology by a greater number of the nation's transit agencies. This includes addressing the need for improvements to the current generation of hybrid electric technologies, including: improving the cost, reliability, and performance of hybrid energy storage systems; demonstrating electrically-driven accessories; and exploring the use of hybrids as a mobile source. Other areas for research include efforts to address emission certification and coordination of research efforts with other Federal and regional programs. FTA has proposed language in FY 2008 to offer incentives to transit agencies that purchase hybrid-electric buses during FY 2008 and FY 2009. Hybrid-electric bus purchases can be matched at a higher rate than standard diesel powered buses. The language proposed in this budget would allow up to 100 percent of federal funds to be used for the incremental costs of purchasing or rehabilitating these hybrid-electric propulsion systems.

² Joint Explanatory Statement of the Committee of Conference for the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act of 2006 (H.R. 3058); and the House Appropriations Committee Report (H.R. 109-153).

Between 1995 and 2004, total motor bus route miles increased by 15.4 percent. Additional funding for bus and bus-related facilities will continue to make buses a safe and reliable mode of transportation. As the number of annual bus route miles and annual bus passengers increases, additional funding will enhance the conditions, performance, and efficiency of the buses in service.

Detailed Justification for Over-the-Road Bus Accessibility Program:

Over-the-Road Bus Accessibility Program	FY2008 Request: \$8,298,948
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Overview:

The Over-the-Road Bus Accessibility Program assists operators of over-the-road-buses in financing the incremental capital and training costs of complying with the DOT's final rule on accessibility of over-the-road-buses, as required by the 1990 ADA. Approximately 75 percent of Over-the-Road Bus funding is spent on intercity fixed-route providers, while the remaining 25 percent is spent on other providers (charter, tour, commuter, etc.).

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.

Anticipated FY 2007 Accomplishments:

FTA has met the bus target for compliance with the ADA. The bus fleet continues to become more accessible as older vehicles are replaced with those that are lift-equipped or have low floors. The overall rate of increase in bus accessibility has slowed somewhat since many of the buses replaced were already lift-equipped. While all new buses are lift-equipped or have low floors, it will be difficult to reach 100 percent compliance in the short-term because many transit operators retain buses for more than twenty years. Funds available under this program contribute to the overall achievement of nationwide fleet accessibility.

FY 2008 Budget Request:

The FY 2008 budget request of \$8.3 million for the Over-the-Road Bus Program is justified in that ensuring buses are ADA compliant is not only fiscally responsible, but it is socially responsible also. In addition, providing ADA-compliant transit services to persons with disabilities in all areas is consistent with the Department-wide goal of increasing ridership for all transit users.

Explanation of Funding Changes for Over-the-Road Bus Accessibility Program:

Over-the-Road Bus Accessibility Program	\$698,948
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Overview:

Funding for this program assists operators of over-the-road-buses in financing the incremental capital and training costs of complying with the DOT's final rule on

accessibility of over-the-road-buses, as required by the 1990 ADA. The FY 2008 increase over FY 2007 for this program will ensure that FTA continues to fulfill all DOT and ADA requirements.

Detailed Justification for Clean Fuels Grant Program:

Clean Fuels Grant Program	FY2008 Request: \$48,993,789
Overview:	
<p>The Clean Fuels Formula Program provides financing for the purchase or lease of clean fuel buses and facilities and the improvement of existing facilities to accommodate these buses. This includes those buses powered by compressed natural gas, biodiesel fuels, batteries, alcohol-based fuels, hybrid electric, fuel cell, and certain clean diesel (up to 25 percent of grants annually) and other low or zero emissions technology that the Environmental Protection Agency has certified sufficiently reduces harmful emissions. These buses should be in non-attainment areas and areas trying to maintain compliance with clean air standards. In addition, buses built with lightweight composite materials can also be qualified as a clean fuels bus for this program. Grants would be made by the Secretary.</p>	
FY 2007 Base:	
<p>Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.</p>	
Anticipated FY 2007 Accomplishments:	
<ul style="list-style-type: none"> • The clean fuels program provides funding for clean fuel buses and facilities and the improvement of existing facilities to accommodate these buses. This includes those buses powered by compressed natural gas, biodiesel fuels, batteries, alcohol-based fuels, hybrid electric, fuel cell, and certain clean diesel (up to 25 percent of grants annually). • Of the \$45 million authorized in SAFETEA-LU for FY 2007, 16 projected are earmarked totaling \$18.72 million. • FTA issued a Notice of Proposed Rulemaking on October 16, 2006. The public comment period closed on December 15, 2006. FTA is currently considering the comments received and is in the process of finalizing the rule. • Remaining funds will be distributed in accordance with the final rule published in FY 2007. 	
FY 2008 Budget Request:	
<p>The FY 2008 request of \$49 million would provide for the purchase of clean fuels buses, including clean diesel vehicles (up to 25 percent of grants annually) in certain non-attainment areas and areas trying to maintain compliance with clean air standards. Grants will be made by the Secretary.</p>	

Explanation of Funding Changes for Clean Fuels Grant Program:

Clean Fuels Grant Program	\$3,993,789
Overview: The \$4 million increase over FY 2007 reflects the obligation limitation on additional program funding authorized under SAFETEA-LU for FY 2008.	

Detailed Justification for Planning Programs:

Planning Programs	FY2008 Request: \$106,986,436
Overview: The funds requested for Metropolitan and Statewide Planning help make possible the analytical, environmental, transportation air-quality conformity, evaluative, and policy-plan-program development work necessary to channel Federal and other transportation dollars to the priority transit investments strategies of State/local officials. These funds will allow FTA to focus on professional capacity building for Federal, state, and local officials by providing appropriate training. With funding from FTA and the Federal Highway Administration (FHWA), the metropolitan and statewide planning programs support the work of Metropolitan Planning Organizations (MPOs), State DOTs, and transit operators, required to carry out Federal statutory transportation planning requirements as a condition of Federal assistance for most mass transportation and highway projects. Planning documents must be multi-modal and stress the interconnectivity of the transportation network. The success of transit capital investments is dependent largely on the planning that precedes them. The cost-effectiveness of transit (and highway) projects thus depends on a coordinated, comprehensive, and cooperative planning process, because it is during this process that transportation problems are analyzed, potential solutions are identified and evaluated, and cost-effective transportation alternatives are recommended for funding. The planning provisions of SAFETEA-LU “connect” programs and decision-making processes within FTA, across DOT, and across non-DOT programs. FTA is implementing a number of key features such as; <ul style="list-style-type: none">• Promoting consistency of transportation decisions with planned growth and development;• Considering environmental issues and transportation security explicitly in transportation decision-making; and• Working closely with citizens through visualization techniques, posting documents for review in electronic formats, and annually publishing a list of projects for which funds had been obligated in the prior year – with attention to bicycle and pedestrian projects; The MPO’s and State DOT’s use funds for planning activities to support over \$8 billion in annual capital transit projects in 467 urbanized areas (UZA) in the 50 States, Puerto Rico, and the District of Columbia. Additional resources support	

planning for FTA capital grants that will be made to rural transit operators and Tribal governments.

FTA allocates Metropolitan Planning funds to States according to a statutory formula. Eighty percent of the funds are distributed to States as a basic allocation based on each state's population in the UZA, as designated by the Census Bureau. The remaining twenty percent is provided to States as a supplemental allocation based on an FTA administrative formula that addresses planning needs in the larger, more complex UZA's. State planning funds are allocated by a formula that is based on information received from the latest decennial census and on the state's UZA population compared to the UZA population of all states. However, a state must receive at least 0.5 percent of the amount apportioned under this program.

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.

Anticipated FY 2007 Accomplishments:

- The planning requirements of SAFETEA-LU took effect immediately upon the President's signing of the Bill on August 10, 2005. However, the law affords localities the flexibility of incorporating the new provisions in their next regularly scheduled updates of their plans and programs. But, beginning July 1, 2007, all updates to transportation plans and programs at the metropolitan and State level must comply with SAFETEA-LU.
- Metropolitan and statewide planning programs are jointly funded by FTA and FHWA, with program guidance, oversight, and implementation being carried out on a joint basis with FHWA. Therefore, current rulemaking, as well as our advisories to the field office, have been prepared jointly with FHWA.
- It is important to maintain consistency between the planning provisions and several other FTA programs that are on similar tracks to implementation, such as New Starts/Small Starts, Human Service Transportation Coordination, Tribal Transit, Transit in the Parks, etc.

FY 2008 Budget Request:

For FY 2008, FTA requests a total of \$107 million for Metropolitan and Statewide Planning. Funding is requested for the implementation of the expanded analytic, environmental, transportation air-quality conformity, and evaluative work necessary to ensure that Federal and other transportation investments are cost-effective. Funding will support planning goals under FTA's Ridership and Accessibility strategic goals by helping states, MPOs, and transit operators develop and maintain transit systems that are accessible, efficient, and that offer flexibility of choice.

Metropolitan Planning, 49 U.S.C. Section 5303.

In FY 2008, \$88.5 million is requested for the Metropolitan Planning formula program. This funding will be apportioned to the states, and states will distribute the funds (via a state- developed and FTA-approved formula) to MPOs. These funds support planning activities and enable regional planning agencies to identify the transportation investments that best meet the needs of the communities they serve and comply with Federal statutes.

Every four to five years, each MPO is required to develop and update a metropolitan long-range Transportation Improvement Plan (TIP) covering a period of at least 20 years. New Starts projects and other major facilities projects may be identified from corridor or other capital studies carried out as part of the metropolitan transportation planning process. In addition, the MPO, in cooperation with the state and affected transit operators, must develop a TIP for the metropolitan planning area, and provide interested parties an opportunity to comment on the proposed TIP. The TIP must be updated at least once every 2 years and must be approved by the MPO and the governor of the state.

Statewide Planning, 49 U.S.C. Section 5304.

A total of \$18.5 million is requested for the Statewide Planning program in FY 2008. These funds are apportioned to states using a statutory formula. Activities funded include transportation planning and technical assistance, planning support for non-urbanized areas, research, development and demonstration projects, fellowships for training in the public transportation field, university research, and human resource development.

Each state is required to develop and periodically update a Statewide Transportation Improvement Plan (STIP), covering a forecast period of at least 20 years. The State must develop its transportation plan in cooperation with the MPOs in the state. In addition, each State must develop a STIP that incorporates the metropolitan TIPs, as well as transportation projects outside the metropolitan planning areas for which the State has responsibility. The STIP is a key product of the planning process, and serves as the official funding document for most FTA and FHWA funded projects. The STIP must be approved by both the FTA and FHWA.

Explanation of Funding Changes for Planning Programs:

Planning Programs	\$7,986,436
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Overview:

These funds support transportation planning activities and enable regional planning agencies to identify the transportation investments that best meet the needs of the communities they serve and that comply with Federal statutes. In addition, these programs promote a cooperative, continuous, and comprehensive planning program for transportation investment decision-making at the metropolitan and statewide

planning level. The increase in funding from FY 2007 to FY 2008 represents the emphasis on planning activities reflected in SAFETEA-LU.

By appropriating the requested funds for Metropolitan and Statewide Planning, FTA will be able to continue its efforts to enable communities to develop financially sound, efficient, and flexible transportation choices to millions of Americans. Underfunding this program will inhibit FTA's ability to ensure that Federal and other transportation dollars go to the most cost-effective transit investments, facilities, and services. Performing the necessary analytical, environmental and evaluative work allows FTA to invest scarce Federal resources in the projects with the highest return on investment. In so doing, the agency not only assists in connecting Americans to work, play, and an enjoyable life, but it also indirectly supports the Department's reduced congestion performance goal by providing safe, efficient, and continually reliable service to its users.

Detailed Justification for Formula Grants for Special Needs for Elderly Individuals and Persons with Disabilities:

Formula Grants for Special Needs For Elderly Individuals and Persons with Disabilities	FY2008 Request: \$126,983,901
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Overview:

This program focuses on America's commitment to meeting the transportation needs of the elderly and persons with disabilities. Among the Americans who use transit are the 35 million senior citizens who are most likely to need access to dependable transportation if they are to participate fully in their community. Transit is also important to the 31 million Americans with disabilities who use public transportation. FTA strongly supports the President's commitment to tearing down the barriers to equality that face many Americans with disabilities.

FTA allocates funds to states by an administrative formula consisting of a \$125,000 floor for each state (\$50,000 for smaller territories) with the balance allocated based on 2000 Census population data for persons aged 65 and over and for persons with disabilities.

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.

Anticipated FY 2007 Accomplishments:

Since enactment of the ADA in 1990, FTA has been working to make public bus, rail and paratransit services accessible to individuals with disabilities. One major goal is to make the national fixed-route bus system 100 percent lift-equipped, ramp-equipped, or designed with low floors. By the end of 1996, six years after enactment, 63 percent of the active fleet was ADA-compliant. FTA's target in FY 2004 was 92 percent (FTA exceeded the target with 95 percent compliance), and is on target to meet its goal of a 97 percent ADA-compliant bus fleet by the year 2007. According

to National Transit Database data, 98 percent of all motorbuses and 79 percent of all transit vehicles were ADA compliant in FY 2004.

Beginning in FY 2007, projects must be on a locally-developed human services transportation coordination plan in order to ensure a higher level of coordination requirements. This planning process will include representatives of public, private, and nonprofit transportation and human services providers and the public. FTA will publish an updated circular for the Section 5310 program by March 31, 2007.

FY 2008 Budget Request:

The FY 2008 budget request for this program is \$127 million. Funds under this program are available for capital expenses to support the provision of transportation services to meet the special needs of elderly individuals and individuals with disabilities. Such expenses include the purchase of vehicles and equipment and the acquisition of transportation services under a contract, lease or other arrangement. These funds will maintain and expand the current services. There are approximately 4,836 providers of special services to the elderly and disabled in both urban and rural areas, operating nearly 38,000 special service vehicles nationwide. About 1,800 buses for special services for elderly and disabled persons are purchased annually, in addition to services provided under contract. Enhanced planning requirements will ensure that traditional recipients of funding under this program will have the opportunity to receive funding under the restructured formula programs.

Explanation of Funding Changes for Formula Grants for Special Needs for Elderly Individuals and Individuals with Disabilities:

Formula Grants for Special Needs for Elderly Individuals and Individuals with Disabilities	\$9,983,901
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Overview:

This program provides funding for capital projects to assist private nonprofit groups in meeting the transportation needs of the elderly and persons with disabilities when the public transportation service provided is unavailable, insufficient, or inappropriate to meet these needs. The FY 2008 increase over FY 2007 for this program is primarily due to FTA's dedication to making public bus, rail, and paratransit services accessible for the elderly and persons with disabilities and to improving the aforementioned accessibility measures (percentage of lift or wheel chair ramp equipped bus fleet and percentage of accessible key stations). Funding for this program will also ensure that Federally funded programs provide transportation options to the elderly and those with disabilities so they can fully participate in their communities. Less funding limits enhancements to transportation services such as lift and ramp-equipped buses and buses designed with lower floors.

Program Results:

An analysis by the OMB of major program contributions to the strategic goal of reduced congestion indicates the prudence of this request. In FY 2005, FTA completed an assessment of its formula grants program using the OMB's PART. The

results of the PART demonstrated that the formula grants program is effective in increasing ridership and improving the accessibility to public transportation for physically challenged individuals.

Detailed Justification for Formula Grants for Other-Than-Urbanized Areas:

Formula Grants for Other-Than-Urbanized Areas

FY 2008 Request: \$506,463,580

Overview:

The Non-urbanized Area Formula program provides formula funding to states to support public transportation in areas of less than 50,000 in population. The program addresses the transportation needs of people living in rural counties that have no public transportation services and assists states in supporting rural intercity bus service by requiring that they spend 15 percent of their annual apportionment on such service. Each State must spend no less than 15 percent of its Non-urbanized Area Formula apportionment on the development and support of intercity bus transportation, unless the Governor certifies to the Secretary that the intercity bus service needs of the state are being adequately met.

The services that Federal funds support in non-urbanized areas are essential. For instance, the Nation's 1,300 rural transit providers take people to work, shopping, and other essential services, such as doctor's appointments that encourage individuals to lead healthier and more productive lives. This service is vital for non-drivers living in rural areas, including many of the 30 million elderly, working poor, and individuals with disabilities.

The costs of non-fixed route paratransit service required by the 1990 ADA that do not exceed 10 percent of a transit authority's annual formula apportionment are eligible for capital expenses. Private non-profit agencies and private transportation providers will be eligible sub-recipients under these state administered programs.

Non-urbanized Formula includes funding for the Growing States program. This program distributes funds to the Non-urbanized Area Formula program under new factors. Funds are made available under a formula based on population forecasts for 15 years beyond the most recent Census; amounts apportioned for each state are then distributed between urbanized areas and rural areas based on the ratio of urban/rural population within each state.

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.

Anticipated FY 2007 Accomplishments:

In FY 2007, Non-urbanized Area Formula funds are expected to purchase over 800 small buses and vans. Recognizing the importance of this program to rural communities, FTA published a *Federal Register* Notice in November 2005 requesting

comments on its proposed implementation of the Section 5311 program. FTA also held a series of listening sessions in December, as well as targeted listening sessions with the State DOT program managers. FTA continues to work on developing and updating guidance and interacting with the stakeholders. FTA plans to publish final guidance for the Section 5311 program by March 31, 2007.

FY 2008 Budget Request:

In FY 2008, FTA is requesting funding of \$506 million for activities under the formula program for non-urbanized areas. Funding at the level requested for FY 2008 will help meet the needs of rural public transportation services and will assist states in supporting rural intercity bus service through the continued requirement that 15 percent of their annual apportionment must be spent on such service.

In FY 2008, funding for the Rural Transportation Assistance Program (RTAP) is a two percent take-down from the Non-urbanized Area Formula program. In FY 2008, RTAP will provide \$9 million to assist in the design and implementation of training and technical assistance projects, research, and other support services tailored to meet the needs of transit operators in non-urbanized areas. The Public Transportation on Indian Reservations Program is funded at \$12 million in FY 2008.

FTA may not use more than 15 percent of its funding for projects of national interest, such as the Transit Resource Center currently operated by the Community Transportation Association of America. The balance will be allocated to states to provide training and technical assistance resources for all aspects of the restructured formula program.

Explanation of Funding Changes for Formula Grants for Other-Than-Urbanized Areas:

Formula Grants for Other Than Urbanized Areas	\$39,590,580
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Overview:

This program provides formula funding to States to support public transportation in areas of less than 50,000 in population. The increase in funding from FY 2007 to FY 2008 reflects a commitment to address the unmet transportation needs of rural communities, including the 40 percent of rural counties with no public transportation services. By improving accessibility to transportation services for people living in rural communities, FTA not only honors its commitment to many of the 30 million elderly, working poor, and individuals with disabilities that live in rural areas, but it is also able to meet the Department's reduced congestion performance goal.

Program Results:

An analysis by the OMB of major program contributions to the strategic goal of reduced congestion indicates the prudence of this request. In FY 2005, FTA completed an assessment of its formula grant program using the OMB's PART. The results of the PART demonstrated that the formula grant program is effective in

increasing ridership and improving the accessibility to public transportation for physically challenged individuals.

Detailed Justification for Job Access and Reverse Commute Formula Program:

Job Access and Reverse Commute Formula Grants	FY2008 Request: \$155,980,225
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Overview:

Job Access projects provide new and expanded transportation services to connect welfare recipients and low-income persons to employment and employment support services, such as training and child-care facilities. Funds may be used to support capital projects, usually vehicle acquisitions and customer information technology, and to finance operating costs of equipment, facilities and associated support costs related to providing access to jobs. SAFETEA-LU provides funds for projects relating to the development and maintenance of transportation services, including 1) transportation projects to finance planning, capital, and operating costs of providing access to jobs, 2) promoting public transportation by low-income workers, including the use of public transportation by workers with nontraditional work schedules, 3) promoting the use of transit vouchers for welfare recipients and eligible low-income individuals; and 4) promoting the use of employer-provided transportation, including the transit pass benefit program under section 132 of the Internal Revenue Code of 1986.

This program is targeted at developing additional transportation services to address gaps for low-income persons such as ridesharing, demand-responsive and van shuttle services, new bus routes, expanded service hours and special late or weekend service for shift workers, connector services to mass transit, employer provided transportation, and guaranteed ride home programs.

The program also includes Reverse Commute projects, designed to transport residents of urbanized areas and non-urbanized areas to suburban employment opportunities. These projects include: 1) subsidizing the costs associated with adding reverse commute bus, train, carpool, van routes, or service from urbanized areas and other-than-urbanized areas to suburban workplaces; 2) subsidizing the purchase or lease by a nonprofit organization or public agency of a van or bus dedicated to shuttling employees from their residences to a suburban workplaces; and 3) facilitating the provision of public transportation services to suburban employment opportunities.

The lack of meaningful transportation services to connect welfare recipients and low-income persons to jobs and employment support services is a widespread national problem and a serious obstacle to achieving the goals of welfare reform. Integrating Job Access and Reverse Commute (JARC) into a formula program rather than maintaining it as a separate, nationally-administered competitive program has provided each State and large urban areas over 200,000 in population with the opportunity to consider and prioritize their mobility needs when planning transit

services. Under the formula program, priorities for addressing these needs will be set at the local level through a collaborative planning process. The non-traditional transportation providers that currently provide many of these specialized services will be eligible sub-recipients under the program.

SAFETEA-LU provides these funds by formula as follows:

- 60 percent of the funds shall be apportioned among designated recipients, defined in section 5307(a)(2) for urbanized areas with a population of 200,000 or more, in the ratio that the number of eligible low-income individuals and welfare recipients in each urbanized area bears to the number of eligible low-income individuals and welfare recipients in all urbanized areas.
- 20 percent of the funds are apportioned among the States based on the number of eligible low-income individuals and welfare recipients in urbanized areas with a population of less than 200,000 in all States; and
- 20 percent of the funds shall be apportioned among the States based on the number of eligible low-income individuals and welfare recipients in non-urbanized areas in each State bears to the number of eligible low-income individuals and welfare recipients in other than urbanized areas in all States.

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.

Anticipated FY 2007 Accomplishments:

In areas that receive JARC funds, the program successfully meets the transportation needs of low-income individuals seeking reliable transportation to employment and related support services. Grantees have used JARC funds for a wide variety of services, ranging from the expansion of fixed route bus systems to the provision of customer information. In each community that received a grant, JARC transportation services have reached new employment sites, making thousands of entry-level jobs and employers accessible for the program's target populations. New stops have also increased access to critical employment support sites, particularly childcare and job training facilities. Under the JARC program, the goal for FY 2007 is to continue to make more jobs accessible by transit. FTA plans to publish final guidance on the JARC program by March 31, 2007.

FY 2008 Budget Request:

JARC projects promote collaborative planning, operating, and financial partnerships within the existing transportation infrastructure, as well as with human service organizations. As such, the funding request in FY 2008 is \$156 million. JARC formula grants provide a fair distribution of funds based on indicators of need, i.e., the population of low-income individuals in each State. To date, a total of 45 states and the District of Columbia have received funding under the program. However, formula allocation will ensure that all 50 states plus the District of Columbia and the trust territories receive a predictable level of funding annually for

capital, preventive maintenance, and operating activities to help sustain and increase transportation services that support job-related activities of the nation's low-income population.

In addition to the capital and operating costs that have been eligible under the program, planning is now an eligible expense and will allow States to use up to 10 percent of their annual apportionments for administrative, planning and technical assistance. Funding for these purposes will enhance state and local collaborative planning processes that have been major program objectives and that have resulted in projects with broad community support and sustainability.

Explanation of Funding Changes for Job Access and Reverse Commute Formula Program:

Job Access and Reverse Commute Formula Program	\$11,980,225
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Overview:

The JARC program provides funding for transportation services designed to increase access to jobs and employment-related activities. Job Access projects are those that transport welfare recipients and low-income individuals, including economically disadvantaged persons with disabilities, in urban, suburban, or rural areas to and from jobs and activities related to their employment. The increase from FY 2007 to FY 2008 is requested to continue the success of the JARC program.

Funding at the requested level will ensure that adequate resources are provided to communities and individuals receiving welfare, as well as low-income persons, for transportation services to employment and employment support services. Under funding this program would inhibit FTA's ability to provide such services to worthy recipients. In addition, this funding is requested to further improve transit accessibility, one of the Department's performance goals.

Detailed Justification for New Freedom Program:

New Freedom Program	FY 2008 Request:
\$87,488,908	

Overview:

The New Freedom Program will expand employment opportunities to Americans with disabilities by addressing employment-related transportation needs that are not currently addressed by the 1990 ADA. There are an estimated 54 million Americans who have a physical or mental disability that significantly limits one or more major life activities. Approximately 70 percent of adult persons with disabilities are unemployed. Even with passage of the ADA, lack of adequate transportation continues to be a primary barrier to work for people with disabilities, with one-third of people with disabilities reporting that transportation is a significant problem. The ADA requires only that existing public transportation be accessible; it does not address the gaps that exist in transportation services for persons with disabilities. The

New Freedom Program would expand the transportation mobility options available to persons with disabilities beyond the minimum required under the ADA.

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.

Anticipated FY 2007 Accomplishments:

Beginning in FY 2007, projects must be included in a locally-developed human service transportation coordinated plan.

FTA conducted extensive outreach to develop program guidance for the New Freedom program. First, FTA held initial listening sessions in Washington, DC in September, 2005. Then, FTA requested comments related to the Section 5310, JARC and New Freedom programs in a notice published on November 30, 2005 (70 FR 71950), and held listening sessions in five cities around the country. Subsequent to that notice, FTA published in the Federal Register on March 15, 2006 (71 FR 13456), proposed strategies for implementing these programs and requested comments on those strategies. In addition, FTA conducted an all-day public meeting on March 23, 2006, and held a number of meetings and teleconferences with stakeholders. To ensure that we heard from a broad range of stakeholders and interested parties we extended the comment period of the March 15, 2006, Federal Register notice through May 22, 2006. FTA received more than 200 comments from State departments of transportation, trade associations, public and private providers of transportation services, metropolitan planning organizations (MPOs), individuals and advocates.

FTA responded to the comments in proposed circulars for the New Freedom program and the other two programs. We posted the proposed circulars on our Web site (www.fta.dot.gov) and in the DOT Docket Management System and published a Federal Register notice (71 FR 52610) on September 6, 2006, seeking comment on the proposed circulars. FTA received an additional 70 comments in response to the September 6, 2006, notice and proposed circulars.

FTA expects to issue a final program circular for the New Freedom program (and the other programs) by March 31, 2007.

FY 2008 Budget Request:

The FY 2008 request of \$87.5 million for the New Freedom Program provides funds to ensure that every American has the opportunity to fully participate in society and engage in economic, social, and practical activities. It represents an important step in working to ensure that all Americans have the opportunity to learn and develop skills, to engage in productive work, to choose where to live, and to participate in community life.

This request provides funding for transportation services that are not sufficient to meet the employment transportation needs of persons with disabilities. For example,

while JARC grants provide funding for new and expanded transportation service for job-seekers from low-income areas, persons with disabilities are found throughout the community and Job Access funds are insufficient to meet the full range of needs. Similarly, funding for the Elderly Individuals and Individuals with Disabilities program is restricted to providing capital funds for vehicle purchases that serve both the elderly and persons with disabilities. Fifty percent or more of these funds go to organizations that serve elderly persons for non-work trips, and only a portion of the remaining funds go to organizations that serve persons with disabilities for work-related transportation services. Likewise, the intercity bus program is aimed at assisting the private intercity bus industry with expenses related to installing lifts, as required by ADA, and is directed at intercity travel, not local work trips. In contrast, the New Freedom Program will provide funds for transportation that is dedicated to connecting persons with disabilities to jobs.

Explanation of Funding Changes for New Freedom Program:

New Freedom Program	\$6,488,908
Overview: The \$6.5 million increase over FY 2007 reflects the obligation limitation for additional program funding authorized under SAFETEA-LU for FY 2008.	

Detailed Justification for National Transit Database:

National Transit Database	FY 2008 Request: \$3,499,556
Overview: To provide a sound basis for the equitable apportionment of FTA funds by legislative formula, the National Transit Database (NTD) data must be accurate and complete. A significant portion of NTD funding provides for the continuation of data collection, validation, analysis, and report preparation tasks. NTD data is certified as accurate and reliable by the local transit agency and validated by FTA. Gathering NTD data and analyzing and ascertaining its validity promulgates necessary equitable funding decisions among all Federal transit programs. By determining appropriate funding allocations, FTA can ultimately help improve transit conditions, thereby increasing the number of riders and the frequency with which they use public transit.	
FY 2007 Base: Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.	
Anticipated FY 2007 Accomplishments: <ul style="list-style-type: none"> • In FY 2007, the NTD program is expected to receive, process and analyze an additional 3,000 incident and summary safety and security reports submitted by transit properties. The more detailed and timely reporting of safety and security data has been added to the new NTD at the request of Congress and the safety oversight community, including the National Transportation Safety Board. The need for such information has increased since the September 11, 2001 terrorist 	

attacks, and the Transportation Security Administration is already receiving transit security reports from the new system.

- In FY 2007, a new Capital Asset Condition module will be added to the NTD to provide detailed data on transit infrastructure (track, bridges, tunnels, stations, etc.) requested by Congress. Twenty State DOTs have requested that they be part of FTA's new voluntary Rural Transit Data Module. Both modules are expected to generate an additional 650 reports annually.

FY 2008 Budget Request:

FTA requests \$3.5 million to fund data collection, validation, and dissemination of information through the National Transit Database, as required under 49 U.S.C. 5335(a)(1)(2). The NTD is the primary national database for statistics on the transit industry. Approximately 600 transit authorities that receive FTA grants file annual reports through this Internet-based reporting system. Each year, performance data reported to the NTD is used to apportion almost \$6 billion of FTA funds to transit agencies.

In addition to being used for FTA's urban formula and fixed-guideway modernization apportionments, the database is used in conjunction with other information to report to Congress on the performance and condition of the transit industry and to assess progress against FTA goals and objectives. NTD data is also used to help meet the information needs of public transportation systems, MPOs, other Federal agencies, state and local governments, vehicle equipment manufacturers, researchers, and the general public. Local planning agencies, for example, use NTD information on different modes of transit (bus, commuter rail, light rail, demand response, etc.) to examine comparative cost, service level, and vehicle information for local service planning and decision-making.

Four annual transit reports are generated from the NTD. These reports include: the National Transit Database Reporting Manual, Transit Profiles of all transit agencies reporting to the NTD, Transit Profiles of the largest 50 Agencies (as measured by ridership), and National Transit Summaries and Trends. These reports are available on the FTA's internet site at www.fta.dot.gov.

Furthermore, upgrades to the NTD are needed for improved safety and security software. Enhancements are required to improve the accuracy of data submissions, requiring the development of additional validation routines. In addition, security requirements mandated by the OMB, Clinger-Cohen, and the National Institute of Standards and Technology Certification are needed.

Detailed Justification for Alternative Analysis Program:

Alternative Analysis Program	FY2008 Request: \$24,996,831
Overview: The Alternative Analysis Program provides \$25 million each fiscal year from FY 2006 through FY 2009 for alternatives analysis for New Starts projects.	
FY 2007 Base: Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.	
Anticipated FY 2007 Accomplishments: The conduct of alternatives analysis studies results in an understanding of the sources of transportation and development problems in a corridor and an identification of a number of alternatives that address those problems, along with their costs, benefits, and impacts, so that decision makers can make informed decisions on which alternative should be further developed. This information, shared with the public throughout the study, is necessary when significant local, state and federal funding is being considered for major transit projects.	
FY 2008 Budget Request: The FY 2008 request is \$25 million for alternatives analysis in selected cities for New Starts projects. Studies in selected cities nationwide will determine the best solution to transportation problems. These studies compare the alternatives ranging from "no-build" to Bus Rapid Transit or other fixed guideway systems.	

Detailed Justification for Alternate Transportation in Parks and Public Lands:

Alternative Transportation in Parks and Public Lands	FY2008 Request: \$24,996,831
Overview: The Alternative Transportation in Parks and Public Lands Program is designed to develop public transportation in National Parks, with the goal of improving mobility and reducing congestion and pollution. The goals of this program include: ensuring access for all, including individuals with disabilities; improving conservation and park and public land opportunities in urban areas through partnering with state and local governments; and improving park and public land transportation. Transit investment needs include purchasing bus vehicles, trolley cars, tram vehicles, and waterborne vessels. They also include investment in maintenance facilities and ferry piers. Needed transit enhancements include parking facilities, connections with non-motorized trails, shelters and signage, and information services. SAFETEA-LU requires DOT: to develop cooperative agreements with DOI that provide technical assistance in alternative transportation; to provide teams to develop	

Federal land management alternative transportation policy, procedures, and coordination; and to develop procedures and criteria for the planning, selection, funding, implementation, and oversight of projects.

FTA is working closely with the Department of Interior, its National Park Service, Fish and Wildlife Service and Bureau of Land Management, and the Department of Agriculture's U.S. Forest Service on implementing this program. Program goals, the solicitation process, selection criteria, and the evaluation process have been jointly developed. Project proposals were solicited and over 100 proposals were received. An interagency technical review committee has recommended projects for FY 2006 funding to the Department of the Interior, which by law, must make the final selection of projects in consultation and cooperation with DOT. Final program requirements and oversight structure will be published after public comments are considered and before selected projects are announced.

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.

Anticipated FY 2007 Accomplishments:

The program will fund selected projects in parks and public lands, including capital and planning expenses for alternative transportation systems such as shuttle buses and bicycle trails. Eligible recipients are federal land management agencies, State, local, and tribal governments acting with the consent of a federal land management agency. FTA may use up to 10% of funds for technical assistance, research, and planning to support the program.

Dozens of national parks and other public lands throughout the country will be able to invest in new ways to move visitors through their facilities thanks to nearly \$20 million in federal funding announced August 28, 2006 by the U.S. Departments of the Interior and Transportation. Interagency agreements have been signed with the U.S. Fish & Wildlife Service, the National Park Service, and the U.S. Forest Service. Grants will fund 42 different projects in 21 states and Puerto Rico. For example, the grants will help finance the purchase of alternative-fuel specialty trams for the Back Bay National Wildlife Refuge in Virginia, shuttle buses for California's San Joaquin Valley to Sequoia National Park, and the planning of an alternative transportation system for the Forest Service's Midewin National Tall grass Prairie.

FTA expects to receive applications for FY 2007 funding by February 16, 2007. FTA anticipates working with its interagency workgroup to announce the FY 2007 selected projects by the end of July 2007.

FY 2008 Budget Request:

In FY 2008, FTA will be working collaboratively with DOI to develop public transportation in National Parks, with the goal of improving mobility and reducing

congestion and pollution. The \$25 million requested for FY 2008 is crucial to meeting this very important goal.

Explanation of Funding Changes for Alternative Transportation in Parks and Public Lands:

Alternative Transportation in Parks and Public Lands	\$1,996,831
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Overview:

The \$2 million increase over FY 2007 reflects additional obligation limitation for program funding authorized under SAFETEA-LU for FY 2008. FTA and the U.S. Department of Interior will continue to fund projects Interagency Agreements with the U.S. Fish & Wildlife Service, the National Park Service, and the U.S. Forest Service. Grants will fund 42 different projects in 21 states and Puerto Rico.

Detailed Justification for Oversight Program (non-add):

Oversight Program (non-add)	FY 2008 Request: \$60,221,188
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Overview:

The Oversight Program, authorized under 49 U. S. C. 5327, is a critical element of the FTA’s effort to ensure that Federal funds are used cost-effectively and in accordance with applicable laws and regulations. Set-aside funding for the FTA Oversight Program was initially authorized in 1987 to provide FTA with the means to better oversee the implementation of major capital projects. Recognizing that Federal oversight of the transit program was needed not only for major capital projects, but other program areas as well, the funding authority was expanded in FY 1990 to include “...*safety, procurement, management and financial compliance reviews, and audits of any recipient of funds...*” under the Federal transit assistance programs.

TEA-21, section 3024, confirmed the importance of the oversight program, extending its funding to include the authority, “...*to provide technical assistance to correct deficiencies identified in compliance reviews and audits carried out under this section.*” Additionally, SAFETEA-LU provided for an expanded program of New Starts projects that required additional oversight resources.

SAFETEA-LU provides for set-sides from the following programs:

- 0.5 percent of section 5305 – Metropolitan and Statewide Planning
- 0.75 percent from section 5307 - Urbanized Area Formula Grants
- 1.0 percent from section 5309 - Bus and Bus facilities and Fixed Guideway Modernization
- 0.5 percent from section 5310 - Formula Grants for Special Needs for Elderly Individuals with Disabilities
- 0.5 percent from section 5311 - Formula Grants for Other than Urbanized Area Formula Grants

FY 2007 Base:

Budgetary resources in this justification reflect the funding levels included in the FTA's FY 2007 President's Budget Request.

Anticipated FY 2007 Accomplishments:

Project Management Oversight – The PMO program will provide additional engineering support in the form of project capacity and cost analysis, real estate and uniform act conformance, risk assessments of project cost/schedule/safety, construction security, and change order reviews.

Financial Management Oversight – The FMO program plans to conduct more full scope financial management system reviews and follow-up to full scope reviews. The former reviews analyze and determine if grantees' financial management systems and internal control environments meet Federal government standards. The latter reviews are conducted 12-18 months after the full scope review to determine if the findings and recommendations were properly addressed and implemented. In addition, the program plans to conduct a variety of special analyses and reviews, seminars, presentations, updates to the FMO Contractors' Guides, and reports from the contractors.

State Safety Oversight – The State Safety Oversight program is legislatively mandated. Program funds support on-site audits to assess whether state safety oversight agencies are complying with the requirements of the State Safety Oversight rule for rail fixed guideway systems. In addition, funds within this program will be provided for transit bus safety oversight. This is in response to National Transportation Safety Board recommendations to address the lack of consistency among the states and the overall Federal regulatory structure guiding the oversight of transit bus safety. These funds will provide a bus system safety and security review.

Drug and Alcohol Testing – The Drug and Alcohol Oversight program allows the FTA to conduct on-site audits of Section 5311 grantees, Section 5307 sub-recipients, contractors, drug and alcohol programs, and to provide technical assistance where needed. While larger transit agencies were the focus with regard to audits in the past, a push will be on smaller agencies that have yet to be audited. Among the new techniques piloted in FY 2007 will be "collections site only" audits, audit screenings, and "Go-Teams" for extreme drug and alcohol related accidents and issue-based events, such as the Staten Island Ferry accident in 2003. Also included in this funding is a one-day National Conference during for FY 2007. These audits and seminars will monitor how the transit industry is complying with drug and alcohol rules and will enable FTA to provide technical assistance in areas that the industry is struggling to comply. The outcome of these activities will result in the reduction of the deficiency discovered and will decrease the time it takes a grantee to get into full compliance.

Procurement Reviews – FTA will continue to assist in providing oversight of grantees' procurement systems, including procurement system reviews to determine if grantees' procurement systems meet the requirements of the Common Grant Rule and to advise FTA on the effectiveness of each grantee's procurement system. The regional offices

use their grantee oversight assessments to determine which grantees to select for procurement system reviews. It is estimated that an average of 18 to 22 reviews will be conducted on an annual basis in each fiscal year.

Civil Rights/ Title VI/Environmental Justice/ADA – FTA’s legislation has always included the non-discriminatory use of Federal funds by recipients of FTA assistance, including sub-recipients and contractors. Non-discrimination is ensured through oversight of a grantee’s implementation of required civil rights regulations and policy. Compliance reviews and assessments are conducted to determine if the grantee’s required Title VI, Equal Employment Opportunity (EEO), and Disadvantaged Business Enterprise (DBE) programs are in compliance as requested by FTA. Title VI, EEO, and DBE reviews will produce reports on all its visits. These reports provide FTA with the civil rights concerns that may be common around the country and enable FTA to provide technical assistance to our grant recipients to assist them in correcting these concerns.

As a civil rights statute, the ADA requires all recipients of Federal funds to make these systems accessible in compliance with the DOT ADA regulations. It has been recognized that for the 54 million Americans with disabilities, access means simply being able to use, enjoy, and participate in the many aspects of our society, including work, school, commerce, and leisure activities. Transportation is the critical link that allows full societal participation. These reviews are conducted throughout the fiscal year and each review takes approximately one week to complete the on-site visit, and six to eight weeks to complete the final report.

As such, ADA Key and New Stations reviews are used to improve transportation accessibility around the country and to provide technical assistance on ADA requirements to grant recipients who are building new rail stations and improving Key Rail Stations. Furthermore, ADA Paratransit and Fixed Route reviews are used to improve transportation accessibility around the country. The ADA Complementary Paratransit assessments focus on the six service requirements of the DOT ADA regulations with an emphasis on the capacity constraints prohibitions. All reviews will also ensure that recipients do not become future litigants in any type of legal matters, which could derail other projects and plans of recipients. It is very cost effective to ensure compliance throughout the entire project planning and development stages for grantees and FTA. These reviews are conducted throughout the fiscal year and each review takes approximately one week to complete the on-site visit, and six to eight weeks to complete the final report.

Triennial Reviews – A triennial review is required under 49 USC 5307 (i)(2) for all recipients of Section 5307 funds. The triennial review is FTA’s primary oversight program for 640 recipients of Section 5307 urbanized area formula funds. The review examines how the recipients of the formula funds comply with statutory and administrative requirements found in the Annual Certifications and Assurances submitted by grantees. It also provides technical assistance to grant recipients to help them understand and carryout the Federal statutory and administrative requirements.

The triennial review is FTA's first level of review of section 5307 grantees and covers a full range of FTA's grant requirements for the recipients.

OTRAK Oversight – OTRAK is the official source of record for the FTA oversight program. Ongoing system performance activities include subject matter updates, maintenance, evaluation of a system's design effectiveness and usefulness for data collection, updates to system processes, and other streamlining measures to assure consistency and accuracy.

FY 2008 Budget Request:

In FY 2008, FTA requests \$60.2 million (non-add) in the Formula and Bus Grants account for its oversight program activities. Another \$13.9 million in oversight is funded from the Capital Investment Grants account, and \$0.4 from Research and University Research Centers. This FY 2008 President's Budget requests language to allow oversight resources from Job Access and Reverse Commute, New Freedom, and the National Research programs. The total request of \$74.5 million in FY 2008 will help FTA ensure that Federal funds are used efficiently and cost-effectively in accordance with applicable laws and regulations.

Ten-Year
Appropriation History

TEN YEAR
APPROPRIATIONS HISTORY

Administrative Expenses

Estimates		Appropriations + Oblimits	
1990	---	1990	31,809,000
1991	35,402,000	1991	32,583,000
1992	40,365,000 ¹	1992	37,000,000
1993	14,139,000 ²⁰	1993	38,520,000 ¹⁴
1993 (Supp.) rescission	0	1993 (Supp.) rescission	-305,000
1994	21,295,000 ²¹	1994	39,457,000 ¹⁶
1995	43,060,000	1995	42,315,700 ²
1996	44,202,000 ³	1996	40,722,000 ⁴
1997	43,652,000	1997	41,825,849 ⁵
1998	47,018,000 ¹	1998	45,614,000 ⁶
1999	48,142,000 ¹	1999	53,338,000 ^{7,9,11}
2000	60,000,000 ⁸	2000	59,562,000 ^{8,12}
2001	64,000,000 ¹⁰	2001	63,859,200 ¹³
2002	67,000,000 ¹⁵	2002	67,000,000 ¹⁵
2003	76,586,000 ¹⁷	2003	72,525,500 ^{17,19}
2004	76,500,000 ¹⁸	2004	75,054,550 ^{21,22}
2005	79,931,000	2005	76,423,000 ^{23,24,25}
2006	83,500,000	2006	79,200,000 ²⁶
2007	85,000,000	2007	
2008	89,300,000		

- ¹ Budget proposes account to be funded from the Mass Transit Account of the Highway Trust Fund.
- ² Reflects reductions of \$123,000 for working capital fund (sec. 330), \$95,000 for bonuses and awards (sec. 331), and \$59,000 for procurement reform (sec. 323); and transfer of \$188,300 for consolidated civil rights office (P. L. 103-331); reflects reduction of \$279,000 pursuant to P. L. 104-19.
- ³ Proposed legislation would replace this with funding through the Unified Transportation Infrastructure Investment Program.
- ⁴ Reflects reduction of \$1,278,000 for working capital funds, bonuses and awards, and field office consolidation.
- ⁵ Reflects reduction of \$451,135 for TASC (sec. 321) and \$4 for awards (sec. 346). Excludes \$779,988 in obligated balances transferred from Formula Grants.
- ⁶ Reflects reduction of \$124,000 for TASC (sec. 320).
- ⁷ Of which \$43,200,000 to be funded from the mass transit account of the Highway Trust Fund; includes obligation limitation.
- ⁸ Of which \$48,000,000 to be funded from the mass transit account of the Highway Trust Fund; includes obligation limitation.
- ⁹ Reflects reduction of \$912,000 for TASC (sec. 320).
- ¹⁰ Of which \$51,200,000 to be funded from the mass transit account of the Highway Trust Fund; includes obligation limitation.
- ¹¹ Includes \$250,000 in Y2K emergency funding.
- ¹² Reflects reduction of \$438,000 for TASC (sec. 319).
- ¹³ Reflects reduction of \$140,800 (.22%) pursuant to section 1403 of P. L. 106-554; includes obligation limitation.
- ¹⁴ Includes \$25,120,000 derived from the mass transit account of the Highway Trust Fund.
- ¹⁵ Of which \$53,600,000 to be funded from the mass transit account of the Highway Trust Fund; includes obligation limitation.
- ¹⁶ Includes \$18,162,000 derived from the mass transit account of the Highway Trust Fund.
- ¹⁷ Of which \$58,400,000 to be funded from the mass transit account of the Highway Trust Fund; includes obligation limitation. Reflects increase of \$3,586,000 for accruing Employee Pension and Health Benefits.
- ¹⁸ Does not reflect \$4,325,223 for accruing Employee Pension and Health Benefits.
- ¹⁹ Reflects reduction of \$474,500 (.65%) pursuant to section 601 of P. L. 108-7; includes obligation limitation. Does not include accruing Employee Pension and Health Benefits.
- ²⁰ Does not include \$27,748,000 derived from the mass transit account of the Highway Trust Fund.
- ²¹ Reflects reduction of \$445,450 (.59%) pursuant to section 168 (b) of P.L. 108-199, the Consolidated Appropriations Act, 2004.
- ²² Includes obligation limitation of \$60,043,640 derived from the mass transit account of the Highway Trust Fund.
- ²³ Reflects reduction of \$953,000 for working capital fund included in sec. 197 of P.L. 108-447, Consolidated Appropriations Act, 2005.
- ²⁴ Reflects reduction of \$624,000 (0.8%) pursuant to Div J, sec. 122 of P.L. 108-447, the Consolidated Appropriations Act, 2005.
- ²⁵ Includes obligation limitation of \$67,704,000 derived from the mass transit account of the Highway Trust Fund.
- ²⁶ Reflects reduction of \$800,000 (1%) pursuant to Div B, Title III, Chapter 8, Sec 3801 of the Defense Appropriations Act, P.L. 109-148.

TEN YEAR
APPROPRIATIONS HISTORY

Formula Grants

Estimates		Appropriations	
1990	0 ¹	1990	1,625,110,000
1991	1,076,800,000	1991	1,605,000,000
1992	0 ¹	1992	1,520,000,000
1993	541,299,000	1993	650,975,000
1993 (Supp.)	466,490,000		
1994	1,324,916,000	1994	1,284,916,000
1994 Investment	[699,000,000]		
1995	1,715,050,000	1995	1,341,911,000 ²
1996	1,744,200,000 ³	1996	941,975,000 ⁴
1997	221,122,000	1997	490,000,000
1998	0 ¹	1998	240,000,000
1999	0	1999	519,200,000 ^{5,6}
2000	619,600,000	2000	569,600,000 ⁷
2001	669,000,000	2001	616,640,400 ^{8,9,10}
2002	718,400,000	2002	668,307,000 ^{11,13}
2002	0 ¹²	2002	23,500,000 ¹²
2003	767,800,000	2003	713,134,300 ^{11,15}
2004	0 ¹⁴	2004	763,269,980 ¹⁶
2005	0 ¹⁴	2005	450,389,824 ^{17,18}

¹ Proposed to be funded out of the mass transit account of the Highway Trust Fund.

² Reflects reduction of \$89,000 for procurement reform (sec. 323), transfer of \$8,000,000 to transit research and planning.

³ Proposed legislation would replace this with funding through the Unified Transportation Infrastructure Investment Program.

⁴ Reflects reduction of \$950,000 for working capital funds, bonuses and awards, and field office consolidation.

⁵ Reflects transfer of \$50,000,000 to Capital Investment Grants pursuant to P. L. 105-277.

⁶ Reflects transfer of \$800,000 to OIG pursuant to P. L. 105-277.

⁷ Reflects transfer of \$50,000,000 to Capital Investment Grants pursuant to P. L. 106-69.

⁸ Reflects transfer of \$50,000,000 to Capital Investment Grants pursuant to P. L. 106-346.

⁹ Reflects transfer of \$1,000,000 to OIG pursuant to P. L. 106-346.

¹⁰ Reflects reduction of \$1,359,600 (.22%) pursuant to section 1403 of P. L. 106-554.

¹¹ Reflects transfer of \$50,000,000 to Capital Investment Grants pursuant to P. L. 107-87.

¹² Emergency funds appropriated, Department of Defense Appropriations/Emergency Supplemental, P.L. 107-117.

¹³ Reflects rescission of \$93,000 pursuant to P.L. 107-206.

¹⁴ Proposed to be funded in Formula Grants and Research out of the mass transit account of the Highway Trust Fund.

¹⁵ Reflects reduction of \$4,990,700 (.65%) pursuant to section 601 of P. L. 108-7, reflect transfer of \$49,675,000 to Capital Investment Grants.

¹⁶ Reflects reduction of \$4,530,020 (.59%) pursuant to section 168 (b) of P.L. 108-199, the Consolidated Appropriations Act, 2004.

¹⁷ Reflects reduction of \$4,032,176 (0.8%) pursuant to Div J, sec. 122 of P.L. 108-447, the Consolidated Appropriations Act, 2005.

¹⁸ Reflects transfer of \$50,000,000 (\$49,600,000) net rescission to Capital Investment Grants pursuant to P.L. 108-447.

TEN YEAR
APPROPRIATIONS HISTORY

Formula Grants

(Limitation on Obligations)
(Highway Trust Fund, Mass Transit Account)

Estimates		Limitation	
1990	1,523,000,000	1990	69,790,000
1991	0	1991	235,000,000
1992	2,599,908,000	1992	463,734,000
1993	1,062,274,000	1993	1,049,025,000
1994	1,129,951,000	1994	1,129,951,000
1995	1,150,000,000	1995	1,150,000,000
1996	1,120,850,000	1996	1,109,853,000 ¹⁰
1997	1,930,850,000	1997	1,659,185,000
1998	3,409,500,000 ¹	1998	2,260,000,000
1999	0 ²	1999	2,280,000,000 ⁵
2000	2,960,670,000 ³	2000	2,478,400,000 ^{6,8}
2001	2,676,000,000 ⁴	2001	2,670,112,800 ^{7,12}
2002	2,873,600,000 ⁹	2002	2,873,600,000 ^{9,13,14}
2003	3,071,200,000 ¹¹	2003	3,051,237,200 ^{11,16,17,18}
2004	0 ¹⁵	2004	3,053,079,920 ¹⁹
2005	0 ¹⁵	2005	3,499,927,776 ²⁰

- ¹ Proposed to be derived from the mass transit account of the Highway Trust Fund.
- ² Proposed to be funded from the mass transit account of the Highway Trust Fund.
- ³ Excludes \$619,600,000 proposed appropriations.
- ⁴ Excludes \$669,000,000 proposed appropriations.
- ⁵ Excludes \$519,200,000 appropriations.
- ⁶ Excludes \$569,600,000 appropriations.
- ⁷ Excludes \$618,000,000 appropriations; reflects reduction of \$5,887,200 (.22%) pursuant to section 1403 of P. L. 106-554.
- ⁸ Excludes \$1,592,535,882 in FHWA transfers.
- ⁹ Excludes \$718,400,000 appropriations.
- ¹⁰ Reflects reduction of \$147,000 pursuant to section 31002 P. L. 104-134.
- ¹¹ Excludes \$767,800,000 proposed appropriations.
- ¹² Excludes \$1,230,831,761 in FHWA transfers.
- ¹³ Excludes \$1,117,456,037 in FHWA transfers.
- ¹⁴ Excludes \$2,356,510 in FTA transfers to FHWA.
- ¹⁵ Proposed to be funded in Formula Grants and Research out of the mass transit account of the Highway Trust Fund.
- ¹⁶ Reflects reduction of \$19,652,800 (.65%) pursuant to section 601 of P. L. 108-7.
- ¹⁷ Excludes \$1,007,401,850 in FHWA transfers, including unobligated balance transfer of \$2,000,000 pursuant to sec. 377 P.L.108-7.
- ¹⁸ Excludes \$1,435,902 in FTA transfers to FHWA.
- ¹⁹ Reflects reduction of \$18,120,080 (.59%) pursuant to section 168(b) of P.L. 108-199, the Consolidated Appropriations Act, 2004.
- ²⁰ Reflects reduction of \$28,225,224 (0.8%) pursuant to Div J, sec. 122 of P.L. 108-447, the Consolidated Appropriations Act, 2005.

TEN YEAR
APPROPRIATIONS HISTORY

University Transportation Research

Estimates		Appropriations + Oblimits	
1990	---	1990	4,930,000 ¹¹
1991	---	1991	5,000,000 ¹¹
1992	6,000,000 ¹	1992	6,985,000 ¹¹
1993	2,025,000	1993	6,000,000 ⁸
1994	3,238,000	1994	6,000,000 ⁹
1995	6,000,000	1995	6,000,000
1996	6,000,000 ¹	1996	6,000,000
1997	6,000,000	1997	6,000,000
1998	6,000,000 ²	1998	6,000,000
1999	6,000,000 ³	1999	6,000,000 ⁴
2000	6,000,000 ⁴	2000	6,000,000 ⁴
2001	6,000,000 ⁴	2001	5,986,800 ^{5,6}
2002	6,000,000 ⁷	2002	6,000,000 ⁷
2003	6,000,000 ⁷	2003	5,961,000 ^{7,12}
2004	0 ¹⁰	2004	5,964,600 ^{13,14}
2005	0 ¹⁰	2005	5,952,000 ^{15,16}

¹ Proposed legislation would replace this with funding through the Unified Transportation Infrastructure Investment Program.

² Proposed to be funded under Transit Planning and Research.

³ Proposed to be funded under Transit Planning and Research mass transit account of the Highway Trust Fund.

⁴ Includes \$4,800,000 Trust Fund; includes obligation limitation.

⁵ Includes \$4,789,440 Trust Fund.

⁶ Reflects reduction of \$13,200 (.22%) pursuant to section 1403 of P. L. 106-554; includes obligation limitation.

⁷ Includes \$4,800,000 Trust Fund; includes obligation limitation.

⁸ Includes \$3,975,000 Trust Fund; includes obligation limitation.

⁹ Includes \$2,762,000 Trust Fund; includes obligation limitation.

¹⁰ Proposed to be funded in Formula Grants and Research out of the mass transit account of the Highway Trust Fund.

¹¹ Funded from the mass transit account of the Highway Trust Fund.

¹² Reflects reduction of \$39,000 (.65%) pursuant to section 601 of P. L. 108-7; includes obligation limitation.

¹³ Reflects reduction of \$35,400 (.59%), pursuant to section 168(b) of P.L. 108-199, the Consolidated Appropriations Act, 2004.

¹⁴ Includes obligation limitation of \$4,771,680 derived from the mass transit account of the Highway Trust Fund.

¹⁵ Reflects reduction of \$48,000 (0.8%) pursuant to Div J, sec. 122 of P.L. 108-447, the Consolidated Appropriations Act, 2005.

¹⁶ Includes obligation limitation of \$5,208,000 derived from the mass transit account of the Highway Trust Fund.

TEN YEAR
APPROPRIATIONS HISTORY

Job Access and Reverse Commute Grants

Estimates		Appropriations + Oblimits	
1999	0	1999	75,000,000 ³
2000	150,000,000 ^{1,4}	2000	75,000,000 ⁴
2001	150,000,000 ^{2,5}	2001	99,780,000 ^{6,7}
2002	125,000,000 ⁸	2002	125,000,000 ⁸
2003	150,000,000 ⁹	2003	104,317,500 ^{9,11}
2004	0 ¹⁰	2004	124,262,500 ^{12,13}
2005	0 ¹⁰	2005	124,000,000 ^{14,15}

¹ Includes \$75,000,000 in revenue aligned budget authority.

² Includes \$50,000,000 in revenue aligned budget authority.

³ Includes \$40,000,000 Trust Fund and \$25,000,000 discretionary GF approp; includes obligation limitation.

⁴ Includes \$60,000,000 Trust Fund; includes obligation limitation.

⁵ Includes \$80,000,000 Trust Fund; includes obligation limitation.

⁶ Includes \$79,824,000 Trust Fund.

⁷ Reflects reduction of \$220,000 (.22%) pursuant to section 1403 of P. L. 106-554; includes obligation limitation.

⁸ Includes \$100,000,000 Trust Fund; includes obligation limitation.

⁹ Includes \$120,000,000 Trust Fund; includes obligation limitation.

¹⁰ Proposed to be funded in Formula Grants and Research out of the mass transit account of the Highway Trust Fund.

¹¹ Reflects reduction of \$975,000 (.65%) pursuant to section 601 of P. L. 108-7; includes obligation limitation. Reflects transfer of \$44,707,500 to Capital Investment Grants.

¹² Reflects reduction of \$737,500 (.59%) pursuant to section 168 (b) of P.L. 108-199, the Consolidated Appropriations Act, 2004.

¹³ Includes obligation limitation of \$99,410,000 derived from the mass transit account of the Highway Trust Fund.

¹⁴ Reflects reduction of \$1,000,000 (0.8%) pursuant to Div J, sec. 122 of P.L. 108-447, the Consolidated Appropriations Act, 2005.

¹⁵ Includes obligation limitation of \$108,500,000 derived from the mass transit account of the Highway Trust fund.

TEN YEAR
APPROPRIATIONS HISTORY

Washington Metro

	Estimates		Appropriations
1990	42,000,000	1990	84,745,000
1991	38,000,000	1991	64,100,000
1992	80,000,000	1992	124,000,000
1993	182,000,000	1993	170,000,000
1994	200,000,000	1994	200,000,000
1995	200,000,000	1995	200,000,000
1996	200,000,000 ¹	1996	200,000,000
1997	200,000,000	1997	200,000,000
1998	0 ²	1998	200,000,000
1999	0 ²	1999	50,000,000
2000	0	2000	0

¹ Proposed legislation would replace this with funding through the Unified Transportation Infrastructure Investment Program.

² Proposed to be derived from the mass transit account of the Highway Trust Fund.

TEN YEAR
APPROPRIATIONS HISTORY

Interstate Transfer Grants - Transit

	Estimates		Appropriations	
1990	---	1990		159,520,000
1991	---	1991		149,000,000
1992	---	1992		160,000,000
1993	82,000,000	1993		75,000,000
1994	45,000,000	1994		45,000,000
1995	38,530,000	1995		48,030,000
1999	0	1999 Rescission		-600,000
2005	0	2005		0 ¹

¹ Does not include transfer of unobligated balance pursuant to section 164 of P.L. 108-447, Consolidated Appropriations Act, 2005.

TEN YEAR
APPROPRIATIONS HISTORY

Capital Investment Grants

Estimates		Appropriations	
1999	451,400,000	1999	501,400,000 ¹
2000	490,200,000	2000	537,747,303 ^{2,3}
2001	529,200,000	2001	577,925,760 ^{4,5}
2002	568,200,000	2002	618,200,000 ⁶
2002	0 ^{7,8}	2002	1,900,000,000 ^{7,8}
2003	607,200,000	2003	682,733,200 ¹⁰
2004	9	2004	623,797,750 ¹¹
2005	9	2005	463,614,176 ^{12,13}
2006	9	2006	1,440,681,660 ^{14,15}
2007	1,466,000,000	2007	
2008	1,399,818,000		

- ¹ Reflects transfer of \$50,000,000 from Formula Grants pursuant to P. L. 105-277.
- ² Reflects transfer of \$50,000,000 from Formula Grants pursuant to P. L. 106-69.
- ³ Reflects transfer of \$2,452,697 from New Starts to TPR National Research pursuant to P. L. 106-069.
- ⁴ Reflects transfer of \$50,000,000 from Formula Grants pursuant to P. L. 106-346.
- ⁵ Reflects reduction of \$1,274,240 (.22%) pursuant to section 1403 of P. L. 106-554.
- ⁶ Reflects transfer of \$50,000,000 from Formula Grants pursuant to P. L. 107-87.
- ⁷ Emergency Supplemental funds, Department of Defense Appropriations/Emergency Supplemental, P.L. 107-117.
- ⁸ Supplemental Appropriations Act for Further Recovery From and Response To Terrorist Attacks, P.L. 107-206
- ⁹ Proposed to be funded in Major Capital Investment Grants.
- ¹⁰ Reflects reduction of \$3,946,800 (.65%) pursuant to section 601 of P. L. 108-7, includes \$29,805,000 transfers from Job Access and Reverse Commute and \$49,675,000 from Formula Grants. Does not include transfer to Maritime Admin.
- ¹¹ Reflects reduction of \$3,702,250 (.59%) pursuant to section 168 (b) of P.L. 108-199, the Consolidated Appropriations Act, 2004.
- ¹² Reflects reduction of \$3,338,824 (0.8%) pursuant to Div J, sec. 122 of P.L. 108-447, the Consolidated Appropriations Act, 2005.
- ¹³ Does not reflect transfers of unobligated balances included in sections 169, 171, 175, and 531 of P.L. 108-447, the Consolidated Appropriations Act, 2005.
- ¹⁴ Reflects reduction of \$14,552,340 (1%) pursuant to Div B, Title III, Chapter 8, sec. 3801, P.L. 109-148, the Defense Appropriation Act, 2006
- ¹⁵ Does not reflect transfers of \$47,288,340 from Formula and Bus Grants P.L. 109-115, the "DOT Appropriations Act, 2006"

Capital Investment Grants

Estimates		Limitations	
1999	1,805,600,000 ⁸	1999	1,805,600,000
2000	1,960,800,000 ⁹	2000	1,943,419,186 ¹
		2000	5,977,000 ^{2,3}
		2000	5,000,000 ⁴
2001	2,116,800,000 ¹⁰	2001	2,112,143,040 ⁵
		2001	4,490,100 ^{6,7}
2002	2,272,800,000 ¹¹	2002	2,272,800,000 ¹¹
2003	2,428,800,000 ¹²	2003	2,427,915,300 ¹⁴
2004	13	2004	2,495,191,000 ¹⁵
2005	13	2005	2,898,100,224 ¹⁶

- ¹ Reflects reduction of \$17,381,014 pursuant to P. L. 106-113.
- ² Trust fund appropriation P. L. 106-113 not subject to limitation.
- ³ Reflects reduction of \$22,800 pursuant to P. L. 106-113.
- ⁴ Trust fund appropriation P. L. 106-246 not subject to limitation.
- ⁵ Reflects reduction of \$4,656,960 (.22%) pursuant to section 1403 of P. L. 106-554.
- ⁶ Trust fund appropriation P. L. 106-554 not subject to limitation.
- ⁷ Reflects reduction of \$9,900 (.22%) pursuant to section 1403 of P. L. 106-554.
- ⁸ Excludes \$451,400,000 proposed appropriations.
- ⁹ Excludes \$490,200,000 proposed appropriations.
- ¹⁰ Excludes \$529,200,000 proposed appropriations.
- ¹¹ Excludes \$568,200,000 proposed appropriations.
- ¹² Excludes \$607,200,000 proposed appropriations.
- ¹³ Proposed to be funded in Major Capital Investment Grants.
- ¹⁴ Reflects reduction of \$15,787,200 (.65%) pursuant to section 601 of P. L. 108-7, includes transfer of \$14,902,500 from Job Access and Reverse Commute
- ¹⁵ Reflects reduction of \$14,809,000 (.59%), pursuant to section 168 (b) of P.L. 108-199, the Consolidated Appropriations Act, 2004.
- ¹⁶ Reflects reduction of \$23,371,776 (0.8%) pursuant to Div J, sec. 122 of P.L. 108-447, the Consolidated Appropriations Act, 2005.

TEN YEAR
APPROPRIATIONS HISTORY

Discretionary Grants
(Limitation on Obligations)

Estimates		Limitations	
1990	0	1990	1,135,645,000
1991	1,400,000,000	1991	1,400,000,000 ⁷
1992		1992	1,356,167,000
1993	1,000,000,000	1993	1,725,000,000
1993 (Supp)	270,000,000		
1994	1,771,575,000	1994	1,781,691,000 ¹
1995	1,725,000,000	1995	1,724,904,000 ²
		1995 Rescission	-33,911,500 ³
1996	1,665,000,000 ⁴	1996	1,665,000,000
1997	1,799,000,000	1997	1,900,000,000
		1997 Rescission	-588,000,000
1998	⁵	1998	2,000,000,000
1999	1,805,600,000 ⁵	1999 Rescission	-392,000,000 ⁶
		2005	---

¹ Reflects FY 1994 rescission of \$3,309,000.

² Reflects reduction of \$96,000 for procurement reform section 323 of P. L. 103-331.

³ The Rescission Bill P. L. 104-19 reduced Discretionary Grants from FY 1992 and prior year balances by taking \$33.9 million from Bus (\$1.28 million) and New Starts (\$32.6 million).

⁴ Proposed legislation would replace this with funding through the Unified Transportation Infrastructure Investment Program.

⁵ Proposed to be funded under Major Capital Investments.

⁶ Rescission of remaining contract authority pursuant to Omnibus Consolidated Appropriations Act P. L. 105-277.

⁷ Includes \$200 million for Formula Grants under section 9(B).

⁸ Does not include transfers of unobligated balance pursuant to section 164 of P.L. 108-447, Consolidated Appropriations Act, 2005.

Discretionary Grants

Liquidation of Contract Authorization

Estimates		Appropriations	
1990	---	1990	897,300,000
1991	900,000,000	1991	900,000,000
1992	1,500,000,000	1992	1,500,000,000
1993	1,000,000,000	1993	1,500,000,000
1994	1,000,000,000	1994	1,000,000,000
1994 (Supp.) Rescission	-52,037,325	1994 (Supp.) Rescission	-3,308,935
1995	1,500,000,000	1995	1,500,000,000
1995 (Supp.)	0	1995 (Supp.)	350,000,000
1996	1,700,000,000 ¹	1996	2,000,000,000
1996 (Supp.)	0	1996 (Supp.)	375,000,000
1997	2,000,000,000	1997	2,300,000,000
1998	2,350,000,000 ²	1998	2,350,000,000
1999	1,900,000,000 ²	1999	2,000,000,000 ³
2000	1,500,000,000 ²	2000	1,500,000,000 ³
2001	350,000,000 ²	2001	350,000,000 ³
2002	0	2002	0

¹ Proposed legislation would replace this with funding through the Unified Transportation Infrastructure Investment Program.

² Proposed to be derived from the mass transit account of the Highway Trust Fund.

³ Funded from the mass transit account of the Highway Trust Fund.

TEN YEAR
APPROPRIATIONS HISTORY

Research and University Research Centers
[Transit Planning and Research]

Estimates		Appropriations + Oblimits	
1992		1992	104,115,000
1993	28,537,000 ²²	1993	85,000,000 ¹⁴
1994	45,875,000	1994	92,250,000 ¹⁵
1995	92,250,000	1995	100,079,000 ¹
1995 (Supp.) Rescission	0	1995 (Supp.) Rescission	-7,000,000
1996	100,027,000 ²	1996	85,500,000
1997	85,500,000	1997	85,500,000
1998	91,800,000 ³	1998	91,500,000 ⁴
1999	91,900,000 ³	1999	98,000,000 ⁵
2000	107,000,000 ⁶	2000	109,209,311 ^{6,7,8,9}
2001	110,000,000 ¹⁰	2001	109,758,000 ^{11,12,17}
2002	116,000,000 ¹³	2002	116,000,000 ^{13,18}
2003	122,000,000 ¹⁶	2003	121,207,000 ^{20,21}
2004	¹⁹	2004	125,256,600 ^{23,24}
2005	¹⁹	2005	126,976,000 ²⁵
2006	¹⁹	2006	74,448,000 ^{26,27}
2007	61,000,000	2007	
2008	61,000,000		

- ¹ Reflects reduction of \$171,000 for procurement reform section 323 of P. L. 103-331
- ² Proposed legislation would replace this with funding through the Unified Transportation Infrastructure Investment Program.
- ³ Proposed to be derived from the mass transit account of the Highway Trust Fund.
- ⁴ Reflects reduction of \$500,000 pursuant to President's line-item veto.
- ⁵ Includes \$78,200,000 from the mass transit account of the Highway Trust Fund; includes obligation limitation.
- ⁶ Includes \$86,000,000 from the mass transit account of the Highway Trust Fund; includes obligation limitation.
- ⁷ Reflects reduction of \$243,386 pursuant to P. L. 106-113.
- ⁸ Reflects transfer of \$2,452,697 from New Starts to TPR National Research pursuant to P. L. 106-069.
- ⁹ Excludes \$54,280,827 in FHWA transfers.
- ¹⁰ Includes \$87,800,000 from the mass transit account of the Highway Trust Fund; includes obligation limitation.
- ¹¹ Includes \$87,606,840 from the mass transit account of the Highway Trust Fund; includes obligation limitation.
- ¹² Reflects reduction of \$242,000 (.22%) pursuant to section 1403 of P. L. 106-554.
- ¹³ Includes \$93,000,000 from the mass transit account of the Highway Trust Fund; includes obligation limitation.
- ¹⁴ Includes \$56,000,000 from the Highway Trust Fund.
- ¹⁵ Includes \$44,125,000 from the Highway Trust Fund.
- ¹⁶ Includes \$97,800,000 from the mass transit account of the Highway Trust Fund; includes obligation limitation.
- ¹⁷ Excludes \$60,049,742 in FHWA transfers.
- ¹⁸ Excludes \$59,601,236 in FHWA transfers.
- ¹⁹ Proposed to be funded in Formula Grants and Research out of the mass transit account of the Highway Trust Fund.
- ²⁰ Includes \$87,606,840 from the mass transit account of the Highway Trust Fund; includes obligation limitation.
- ²¹ Reflects reduction of \$793,000 (.65%) pursuant to section 601 of P. L. 108-7; includes obligation limitation.
- ²² Does not include \$56,003,000 from the Highway Trust Fund
- ²³ Reflects reduction of \$743,400 (.59%), pursuant to section 168 (b) of P.L. 108-199, the Consolidated Appropriations Act, 2004.
- ²⁴ Includes \$111,104,000 in obligation limitation derived from the mass transit account of the Highway Trust Fund.
- ²⁵ Reflects reduction of \$1,024,000 (0.8%) pursuant to Div J, sec. 122 of P.L. 108-447, the Consolidated Appropriations Act, 2005.
- ²⁶ Reflects account name pursuant to SAFETEA-LU P.L. 109-59 and the DOT Appropriations Act, 2006 P.L.109-115.
- ²⁷ Reflects reduction of \$752,000 (1%) pursuant to Div B, Title III, Chapter 8, sec. 3801, P.L. 109-148, the Defense Appropriation Act, 2006

TEN YEAR
APPROPRIATIONS HISTORY

Research, Training and Human Resources

Estimates		Appropriations	
1990		1990	9,970,000
1991	10,000,000	1991	8,000,000
1992		1992	11,000,000 ¹

¹ Reflects rescission of \$5 million. Amounts reconciled with the Intermodal Surface Transportation Efficiency Act (ISTEA)

TEN YEAR
APPROPRIATIONS HISTORY

Formula and Bus Grants
(Limitation on Obligations)
(Highway Trust Fund, Mass Transit Account)

Estimates		Limitations	
2004	5,615,406,000	2004	0 ²
2005	5,622,871,000	2005	0 ²
2006	6,135,000,000	2006	6,910,131,690 ³
2007	7,262,775,000	2007	
2008	7,871,895,000		

Formula and Bus Grants

Liquidation of Contract Authorization

Estimates		Appropriations	
2004	690,000,000 ¹	2004	0 ²
2005	710,000,000 ¹	2005	0 ²
2006	3,384,000,000 ¹	2006	1,500,000,000 ⁴
2007	3,925,000,000	2007	
2008	6,885,000,000		

¹ Proposed to be derived from the mass transit account of the Highway Trust Fund.

² Surface transportation reauthorizing legislation has not been enacted.

³ Reflects reduction of \$69,799,310 (1%) pursuant to Div B, Title III, Chapter 8, Sec 3801 of the Defense Appropriations Act, P.L. 109-148.

⁴ Funded from the mass transit account of the Highway Trust Fund.

TEN YEAR
 APPROPRIATIONS HISTORY
 Major Capital Investment Grants

	Estimates		Appropriations	
2004	1,213,500,000		2004	0 ²
2005	1,234,192,000		2005	0 ²
2006	872,500,000		2006	0 ³

Major Capital Investment Grants
 (Limitation on Obligations)
 (Highway Trust Fund, Mass Transit Account)

	Estimates		Limitations	
2004	320,594,000 ¹		2004	0 ²
2005	329,006,000 ¹		2005	0 ²
2006	690,000,000 ¹		2006	0 ³

¹ Proposed to be derived from the mass transit account of the Highway Trust Fund.

² Surface transportation reauthorizing legislation has not been enacted.

³ Funded under Capital Investment Grants pursuant to SAFETEA-LU P.L. 109-59 and DOT Appropriations Act, 2006 P.L. 109-115.

Section 4. Performance
Budget

**Performance Goals
and Strategic Objectives
(Exhibit IV)**

EXHIBIT IV-1
FY 2006-FY 2008 BUDGET REQUEST BY STRATEGIC OBJECTIVE AND PERFORMANCE GOAL
FEDERAL TRANSIT ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

Strategic and Performance Goals by Program Activities	FY 2006 Actual	FY 2007 Continuing Resolution	FY 2007 Pres. Budget	FY 2008 Request
1. Safety				
Reduction in transit-related deaths and injuries				
1. Administrative Expenses	931	816	977	1,046
2. Formula and Bus Grants	3,690	3,950	3,950	4,150
3. Research and University Research Centers	<u>7,642</u>	<u>7,390</u>	<u>8,951</u>	<u>7,620</u>
Subtotal - Safety	12,263	12,156	13,878	12,816
FTE (Direct funded associated with this segment)	7	6	7	7
2. Reduced Congestion				
Reduction in urban congestion				
1. Administrative Expenses	55,867	56,048	60,556	62,751
2. Formula and Bus Grants	6,123,096	6,165,426	6,460,892	6,946,762
3. Capital Investment Grants	1,487,970	1,566,000	1,466,000	1,399,818
4. Research and University Research Centers	44,098	42,810	37,245	38,250
Increased access for all Americans				
1. Administrative Expenses	1,197	1,088	1,256	1,345
2. Formula and Bus Grants	167,847	167,947	176,679	247,477
3. Job Access and Reverse Commute Grants	136,620	136,620	144,000	155,980
4. New Freedom Program	77,220	77,220	81,000	87,489
5. Research and University Research Centers	<u>7,136</u>	<u>8,756</u>	<u>10,350</u>	<u>8,450</u>
Subtotal - Reduced Congestion	8,101,051	8,221,915	8,437,978	8,948,322
FTE (Direct funded associated with this segment)	429	420	443	429
3. Global Connectivity				
Reduced barriers to trade in transit goods and services				
1. Administrative Expenses	266	272	279	299
2. Research and University Research Centers	<u>400</u>	<u>600</u>	<u>600</u>	<u>700</u>
Subtotal - Global Connectivity	666	872	879	999
FTE (Direct funded associated with this segment)	2	2	2	2
4. Environmental Stewardship				
Reduced pollution effects of transit				
1. Administrative Expenses	665	680	698	747
2. Formula and Bus Grants	239,250	248,284	275,989	299,335
3. Bus and Bus Facilities	73,791	69,215	76,896	83,346
4. Research and University Research Centers	<u>11,594</u>	<u>2,990</u>	<u>1,950</u>	<u>3,750</u>
Subtotal - Environmental Stewardship	325,300	321,169	355,533	387,178
FTE (Direct funded associated with this segment)	5	5	5	5
5. Security, Preparedness and Response				
Effective response to emergencies affecting transit				
1. Administrative Expenses	532	544	558	598
2. Formula and Bus Grants	38,730	38,751	40,649	44,210
3. Research and University Research Centers	<u>2,629</u>	<u>1,800</u>	<u>1,250</u>	<u>1,800</u>
Subtotal - Security	41,891	41,095	42,457	46,608
FTE (Direct funded associated with this segment)	4	4	4	4

<u>Strategic and Performance Goals by Program Activities</u>	<u>FY 2006 Actual</u>	<u>FY 2007 Continuing Resolution</u>	<u>FY 2007 Pres. Budget</u>	<u>FY 2008 Request</u>
6. Organizational Excellence				
Achieved strategic management of human capital goals				
1. Administrative Expenses	2,952	2,883	3,082	3,317
FTE (Direct funded associated with this segment)	18	17	18	18
Achieved competitive sourcing goals				
1. Administrative Expenses	266	272	279	299
2. Research and University Research Centers	0	160	160	160
FTE (Direct funded associated with this segment)	2	2	2	2
Achieved financial performance goals				
1. Administrative Expenses	5,922	5,896	6,252	6,605
2. Formula and Bus Grants	2,375	2,470	2,470	2,845
3. Research and University Research Centers	750	0	0	0
FTE (Direct funded associated with this segment)	24	22	24	24
Achieved E-government goals				
1. Administrative Expenses	9,137	9,204	9,529	10,651
2. Formula and Bus Grants	225	250	250	300
3. Research and University Research Centers	0	494	494	270
FTE (Direct funded associated with this segment)	15	13	15	15
Achieved budget and performance integration goals				
1. Administrative Expenses	1,463	1,496	1,535	1,643
2. Research and University Research Centers	200	0	0	0
FTE (Direct funded associated with this segment)	11	11	11	11
Subtotal - Organizational Excellence	23,290	23,125	24,050	26,090
FTE (Direct funded associated with this segment)	70	65	70	70
TOTALS	8,504,461 1/	8,620,332	8,874,775	9,422,013
FTE (Direct funded only)	496	502	531	517

1/ Does not include \$1.38 billion in "flex funds" transferred from the Federal Highway Administration

EXHIBIT IV-2
FY 2006-FY 2008 BUDGET REQUEST BY APPROPRIATION ACCOUNT AND PERFORMANCE GOAL
FEDERAL TRANSIT ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

<u>Appropriation/ Program Activity/ Performance Goal</u>	<u>FY 2006 Actual</u>		<u>FY 2007 Continuing Resolution</u>		<u>FY 2007 Pres. Budget</u>		<u>FY 2008 Request</u>	
	<u>(\$000)</u>	<u>FTEs</u>	<u>(\$000)</u>	<u>FTEs</u>	<u>(\$000)</u>	<u>FTEs</u>	<u>(\$000)</u>	<u>FTEs</u>
<u>Administrative Expenses</u>	<u>79,200</u>	<u>517</u>	<u>79,200</u>	<u>502</u>	<u>85,000</u>	<u>531</u>	<u>89,300</u>	<u>517</u>
Program Support	<u>68,768</u>		<u>68,290</u>		<u>74,091</u>		<u>77,244</u>	
Reduction in transit-related deaths and injuries	931		816		977		1,046	
Reduction in urban congestion	55,867		56,048		60,556		62,751	
Increased access for all Americans	1,197		1,088		1,256		1,345	
Reduced barriers to trade in transit goods and services	266		272		279		299	
Reduced pollution effects of transit	665		680		698		747	
Effective response to emergencies affecting transit	532		544		558		598	
Achieved strategic management of human capital goals	2,394		2,313		2,512		2,689	
Achieved competitive sourcing goals	266		272		279		299	
Achieved financial performance goals	3,192		2,993		3,349		3,586	
Achieved E-government goals	1,995		1,768		2,092		2,241	
Achieved budget and performance integration goals	1,463		1,496		1,535		1,643	
Administrative Programs	<u>10,430</u>		<u>10,910</u>		<u>10,910</u>		<u>12,057</u>	
Achieved strategic management of human capital goals	558		570		570		628	
Achieved financial performance goals	2,730		2,903		2,903		3,019	
Achieved E-government goals	7,142		7,437		7,437		8,410	
<u>Formula and Bus Grants</u>	<u>6,862,843</u>	<u>1/</u>	<u>6,910,132</u>		<u>7,262,775</u>		<u>7,871,895</u>	
Planning Programs	<u>93,580</u>		<u>93,580</u>		<u>98,505</u>		<u>106,451</u>	
Reduction in urban congestion	93,580		93,580		98,505		106,451	
Clean Fuels Grant Program	<u>17,607</u>		<u>17,607</u>		<u>45,000</u>		<u>48,994</u>	
Reduced pollution effects of transit	17,607		17,607		45,000		48,994	
Urbanized Area Formula Grants	<u>3,730,465</u>		<u>3,730,465</u>		<u>3,920,256</u>		<u>4,250,445</u>	
Reduction in urban congestion	3,423,291		3,418,864		3,599,401		3,846,771	
Increased access for all Americans	48,496		48,496		50,963		111,129	
Reduced pollution effects of transit	221,373		225,800		230,689		250,041	
Effective response to emergencies affecting transit	37,305		37,305		39,203		42,504	
Bus and Bus Facility Grants	<u>830,657</u>		<u>830,601</u>		<u>846,945</u>		<u>918,356</u>	
Reduction in urban congestion	756,866		756,810		770,049		835,010	
Reduced pollution effects of transit	73,791		73,791		76,896		83,346	
Fixed Guideway Modernization	<u>1,316,504</u>		<u>1,363,319</u>		<u>1,433,520</u>		<u>1,554,103</u>	
Reduction in urban congestion	1,316,504		1,363,319		1,433,520		1,554,103	
Grants for Elderly and Persons With Disabilities	<u>110,326</u>		<u>110,326</u>		<u>116,415</u>		<u>126,349</u>	
Increased access for all Americans	110,326		110,326		116,415		126,349	
Non-urbanized Area Formula Grants	<u>442,128</u>		<u>442,128</u>		<u>464,853</u>		<u>504,274</u>	
Reduced congestion	442,128		442,128		464,853		504,274	
Job Access and Reverse Commute Program	<u>136,620</u>		<u>136,620</u>		<u>144,000</u>		<u>154,420</u>	
Increased access for all Americans	136,620		136,620		144,000		154,420	
New Freedom Program	<u>77,220</u>		<u>77,220</u>		<u>81,000</u>		<u>86,614</u>	
Increased access for all Americans	77,220		77,220		81,000		86,614	
Alternative Transportation in Parks and Public Lands	<u>21,671</u>		<u>21,671</u>		<u>22,885</u>		<u>24,872</u>	
Reduced congestion	21,671		21,671		22,885		24,872	
National Transit Database	<u>3,465</u>		<u>3,465</u>		<u>3,500</u>		<u>3,500</u>	
Reduction in urban congestion	3,465		3,465		3,500		3,500	
Alternatives Analysis Program	<u>24,750</u>		<u>24,750</u>		<u>25,000</u>		<u>24,997</u>	
Reduction in urban congestion	24,750		24,750		25,000		24,997	
Over-the-Road-Bus Program	<u>7,425</u>		<u>7,425</u>		<u>7,600</u>		<u>8,299</u>	
Increased access for all Americans	7,425		7,425		7,600		8,299	

Appropriation/ Program Activity/ Performance Goal	FY 2006		FY 2007		FY 2007		FY 2008	
	Actual (\$000)	FTEs	Continuing Resolution (\$000)	FTEs	Pres. Budget (\$000)	FTEs	Request (\$000)	FTEs
Oversight	<u>50,425</u>		<u>50,955</u>		<u>53,296</u>		<u>60,221</u>	
Reduction in transit-related deaths and injuries	3,690		3,950		3,950		4,150	
Reduction in urban congestion	40,840		40,839		43,180		46,786	
Increased access for all Americans	1,600		1,700		1,700		4,135	
Reduced pollution effects of transit	270		300		300		300	
Effective response to emergencies affecting transit	1,425		1,446		1,446		1,706	
Achieved financial performance goals	2,375		2,470		2,470		2,845	
Achieved E-government goals	225		250		250		300	
Capital Investment Grants	<u>1,487,970</u> 2/		<u>1,566,000</u>		<u>1,466,000</u>		<u>1,399,818</u>	
New Starts/Small Starts	<u>1,473,090</u>		<u>1,550,340</u>		<u>1,451,340</u>		<u>1,385,820</u>	
Reduction in urban congestion	1,473,090		1,550,340		1,451,340		1,385,820	
Oversight	<u>14,880</u>		<u>15,660</u>		<u>14,660</u>		<u>13,998</u>	
Reduction in urban congestion	14,880		15,660		14,660		13,998	
Research and University Research Centers	<u>74,448</u>		<u>65,000</u>		<u>61,000</u>		<u>61,000</u>	
National Research Programs	<u>54,352</u>		<u>44,400</u>		<u>40,400</u>		<u>40,400</u>	
Reduction in transit-related deaths and injuries	7,642		7,390		8,951		7,620	
Reduction in urban congestion	24,001		22,210		16,645		17,650	
Increased access for all Americans	7,136		8,756		10,350		8,450	
Reduced barriers to trade in transit goods and services	400		600		600		700	
Reduced pollution effects of transit	11,594		2,990		1,950		3,750	
Effective response to emergencies affecting transit	2,629		1,800		1,250		1,800	
Achieved competitive sourcing goals	0		160		160		160	
Achieved financial performance goals	750		0		0		0	
Achieved E-government goals	0		494		494		270	
Achieved budget and performance integration goals	200		0		0		0	
Transit Cooperative Research	<u>8,910</u>		<u>9,300</u>		<u>9,300</u>		<u>9,300</u>	
Reduction in urban congestion	8,910		9,300		9,300		9,300	
National Transit Institute	<u>4,257</u>		<u>4,300</u>		<u>4,300</u>		<u>4,300</u>	
Reduction in urban congestion	4,257		4,300		4,300		4,300	
University Centers Program	<u>6,930</u>		<u>7,000</u>		<u>7,000</u>		<u>7,000</u>	
Reduction in urban congestion	6,930		7,000		7,000		7,000	
TOTALS	8,504,461	517	8,620,332	502	8,874,775	531	9,422,013	517

1/ Does not include \$1.38 billion in "flex funds" transferred from the Federal Highway Administration

2/ FY 2006 includes transfer of \$47,288,340 from Rail Modernization to New Starts pursuant to P.L. 109-115

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

PERFORMANCE OVERVIEW

Annual Performance Results and Targets

The Federal Transit Administration (FTA) integrates performance results into its budget request to demonstrate alignment with the Department of Transportation's (DOT) Strategic Plan. The FTA tracks the following DOT level performance measures to demonstrate program results:

Formula and Bus Grants Account

Strategic Objective: Safety

Transit fatalities per 100 million passenger-miles traveled	2003	2004	2005	2006	2007	2008
Target	0.492	0.487	0.482	0.477	0.473	0.468
Actual	0.461	0.467	0.428	0.344*		

* Preliminary estimate.

Transit injuries per 100 million passenger-miles traveled	2003	2004	2005	2006	2007	2008
Target	36.3	36.0	35.6	35.2	34.9	34.5
Actual	30.8	35.2	31.8	17.7*		

* Preliminary estimate.

Strategic Objective: Reduced Congestion

Percentage of bus fleets that are compliant with the Americans with Disabilities Act (ADA)	2003	2004	2005	2006	2007	2008
Target	89	92	95	97	97	98
Actual	93	95	97	97*		

* Preliminary estimate.

Percentage of key rail stations that are compliant with the Americans with Disabilities Act	2003	2004	2005	2006	2007	2008
Target	79	89	84	91	93	94
Actual	82	82	91	92*		

* Preliminary estimate.

Number of jobs made accessible by Job Access and Reverse Commute (JARC) transportation services	2006	2007	2008
Target	**	**	**
Actual	**		

** FY 2006 is the first year JARC is a formula program as enacted in SAFETEA-LU. This will require an assessment of the appropriate performance measure to apply to the program.

Capital Investment Grants Account

Strategic Objective: Reduced Congestion

Average percent change in transit boardings per transit market (150 largest transit agencies), adjusted for changes in employment levels 1/	2003	2004	2005	2006	2007	2008
Target	2.0	2.0	1.0	1.0	1.5	1.5
Actual	0.7	0.7	1.9	2.1		

1/ Beginning in FY 2007 the average percent change in transit boardings per transit market will no longer be adjusted by changes in employment levels.

Administrative Expenses Account

Strategic Objective: Global Connectivity

Percentage of direct contracts awarded to small businesses	2004	2005	2006	2007	2008
Target	45	45	64	64	64*
Actual	44	64	27		

*Targets are projected to match FY 2007 targets.

Percentage of direct contracts awarded to disadvantaged business enterprises	2004	2005	2006	2007	2008
Target	13	13	17	17	17*
Actual	1	17	13		

*Targets are projected to match FY 2007 targets.

Percentage of direct contracts awarded to women-owned businesses	2004	2005	2006	2007	2008
Target	5	5	27	27	27*
Actual	6	27	7		

*Targets are projected to match FY 2007 targets.

Strategic Objective: Organizational Excellence

Average number of days to complete grant processing after submission of a completed application	2003	2004	2005	2006	2007	2008
Target	60	36	36	36	36	36
Actual	39	30	28	28		

Percentage of major FTA Federally-funded infrastructure projects that meet schedule milestones established in project or contract agreements, or that miss them by less than 10%	2003	2004	2005	2006	2007	2008
Target	95	95	95	95	95	95
Actual	50	75	100	100		

Percentage of major FTA Federally-funded infrastructure projects that meet cost estimates established in project or contract agreements, or that miss them by less than 10%	2003	2004	2005	2006	2007	2008
Target	95	95	95	95	95	95
Actual	75	75	100	100		

Research and University Research Centers Account

Strategic Objective: Safety

Transit fatalities per 100 million passenger-miles traveled	2003	2004	2005	2006	2007	2008
Target	0.492	0.487	0.482	0.477	0.473	0.468
Actual	0.461	0.467	0.428	0.344*		

* Preliminary estimate.

Transit injuries per 100 million passenger-miles traveled	2003	2004	2005	2006	2007	2008
Target	36.3	36.0	35.6	35.2	34.9	34.5
Actual	30.8	35.2	31.8	17.7*		

* Preliminary estimate.

Strategic Objective: Reduced Congestion

Average percent change in transit boardings per transit market (150 largest transit agencies), adjusted for changes in employment levels 1/	2003	2004	2005	2006	2007	2008
Target	2.0	2.0	1.0	1.0	1.5	1.5
Actual	0.7	0.7	1.9	2.1		

1/ Beginning in FY 2007 the average percent change in transit boardings per transit market will no longer be adjusted by changes in employment levels.

Detailed performance budget information can be found in Section 4 of the FY 2008 Office of Management and Budget submission.

Program Assessment Rating Tool (PART) Assessment

PART was developed by the Office of Management and Budget to provide a standardized way to assess the effectiveness of the Federal Government's portfolio of programs. The structured framework of PART provides a means through which programs can assess their activities differently than through traditional reviews. The following Federal Transit Administration programs have been assessed via the PART:

Program	PART Cycle	Score	OMB Assessment
Program #1 – New Starts	FY-05	83	Moderately Effective
Program #2 – Formula Programs Section 5307 and 5309	FY-06	92	Effective
Program#3 – Research Programs	FY-08	95	Effective

New Starts Analysis

The Capital Investment Program (New Starts) is a competitive, discretionary grants program that allocates funds for construction of new fixed guideway systems and extensions in existing fixed guideway systems. The assessment of the New Starts program affirmed that the program is well managed, is administered effectively and appropriately, and as a result is also helping FTA meet the Department’s reduced congestion goal.

OMB Recommendation #1: FTA submits a budget justification to the Congress that is aligned with performance for 2005.

Actions taken: FTA provided a performance based budget justification for the New Start program for FY 2005, FTA used new performance targets to measure performance of the New Starts program.

OMB Recommendation #2: As FTA uses the new performance targets to measure performance; the 2006 budget submission will better reflect how funding impacts performance.

Actions taken: FTA is implementing a number of programs and initiatives directed at reducing congestion and increasing transit capacity. Two programs directed at increasing the efficiency and effectiveness of new fixed guideway projects are Public-Private Partnerships and Re-engineering New Starts Project Development.

Public-Private Partnership Pilot Program: FTA will establish and implement a Public-Private Partnership Pilot Program (“Penta-P”) to demonstrate the advantages and disadvantages of Public-Private Partnerships (“PPP”) for certain new fixed guideway capital projects.

Deliverables:

- Implement a Public-Private Partnership Pilot Program for at least one project, setting forth incentives and obligations within the framework of section the law that would demonstrate the advantages or disadvantages of PPPs, as applied to eligible projects.
- Report to Congress by August 2007 on the costs, benefits, and efficiencies of Public-Private Partnerships for fixed guideway capital projects.

Re-engineering New Starts Project Development: The New Starts Program is FTA’s primary program for the expansion of transit infrastructure in the United States, providing additional supply of transit services to get people out of cars on congested roads and on to transit. Due to the complexity and size of New Starts projects, the delivery time for these projects can range from 6 -12 years. While the methodologies for justifying, rating and managing these major transit investments continue to show incremental improvement, stakeholders have raised questions on the effectiveness and efficiency of FTA’s decision-making process. FTA is committed not only to continuous improvement of the New Starts Project Development Process, but also to identifying possible significant changes in the highly political and regulated environment of New Starts projects.

Deliverable:

- Implement improvements to the New Starts Project Development Process that:
 - identifies projects that can be delivered on time and on budget, with the projected benefits
 - clarifies roles and responsibilities within FTA during the evaluation process
 - manages project risk rather than attempting to eliminate project risk
 - assures proper allocation of risks and responsibilities among all parties
 - reduces the time for delivering projects
 - standardizes Federal review periods
 - assures the predictability and transparency of FTA’s New Starts guidance and project delivery process
 - produces consistency in process outcomes
 - accommodates possible alternative project delivery methods

Formula Grants Analysis

The FTA's Urbanized Area and Fixed Guideway Modernization Formula Grant programs provide funding to help local transit agencies maintain and improve public transit service and infrastructure in urbanized areas, as designated by the U.S. Census. The assessment of the Formula Grant programs affirmed that the program is administered effectively and has made some significant improvements in the services provided by the local transit agencies. Specifically, the assessment found that the Formula Grant programs have exceeded the goal to improve access to public transportation for people with disabilities, stabilized and in some cases made modest improvements in the infrastructure of local transit agencies, and made improvement in overall ridership since 2002.

OMB Recommendation #1: The Administration will work with FTA to evaluate ways to improve national ridership rates and to insure that FTA continues to administer the grants efficiently.

Actions taken: FTA is working on new approaches to increase transit ridership nationwide. The Executive Management Team (EMT) has committee to measures that will aid in reducing congestion and increase transit ridership. These programs and initiatives are designed to develop and deliver an integrated portfolio of products and services to increase the average number of transit boardings per market (top 150 transit agencies) by 1.5 percent over the previous year by the end of FY 2008.

Urban Partnership Agreement Program: The Department of Transportation has made reducing congestion a key strategic goal and implemented the Secretary's Congestion Relief Initiative as a means to meet that goal. FTA leads the Urban Congestion Team of the Secretary's Congestion Relief Initiative, a discrete program to measurably reduce the Nation's traffic congestion by January 2009.

Deliverables:

- Prepare and execute at least one Urban-Partnership Agreement (UPA), which include the following elements:
 - Congestion Pricing
 - Supportive Demand Management Actions
 - Federal Incentives
 - Congestion benchmarks and outcome targets for each UPA
- Conduct preliminary work necessary for meeting our target of executing a total of three UPA's by 2009.

Increased transit ridership: Steady increases in transit investments have dramatically improved and expanded public transportation services and mobility options for many Americans while attracting record numbers of riders. At the same time, the growing problem of traffic congestion continues to choke America's roadways. FTA promotes transit ridership by funding and supporting alternatives to the automobile and through the sharing of information and best practices with transit agencies.

Deliverables:

- Conduct ridership reviews at two of the Top 150 transit agencies, selected for underperforming ridership growth over the past two years, and issue reports on recommendations for cost-effective ways of increasing ridership at those agencies.
- Recognize successful initiatives by FTA grantees to produce significant increases in ridership by presenting ridership awards to these high-performing transit providers.
- Develop, in partnership with that National Transit Institute (NTI), a pilot session of a new course to equip transit agencies to conduct internal ridership reviews.
- Continue investment in transit infrastructure, both new systems and rehabilitation and replacement of existing fleets, to support increased ridership.
- Further progress under the United We Ride initiative by undertaking collaborative actions (e.g., joint grantee training, shared letters, joint conference calls with grantees, etc.) with other Federal partners at the national and regional levels that facilitate the implementation of the Coordinating Council on Access and Mobility (CCAM) policy statements on coordinated planning and vehicle sharing.
- Work with other members of the Federal Coordinating Council on Access and Mobility to adopt cost sharing principles.

Performance Outcomes:

For the period of July 2006 to June 2007, total real ridership at the top 150 transit agencies increase by 1.5% relative to the previous 12 month.

Research Programs Analysis

Through the Federal Transit Administration's national research programs, the Federal Government provides financial assistance to develop efficient and coordinated public transportation systems designed to address both overarching national policy objectives and the specific problems or needs of certain populations. Better designed and more efficient transit systems serve diverse national interests by contributing to the achievement of important social, economic and environmental goals. They also provide mobility for local populations with acute transportation needs including economically disadvantaged and physically disabled individuals. The assessment of the Research Programs affirmed that the programs are administered effectively and has made some significant improvements in the services provided by the local transit agencies. FTA's research supports increased ridership with expanded training course at the NTI, and coordinated efforts through the Federal Coordinating Council on Access and Mobility.

Environmental Stewardship: FTA will promote transportation solutions that enhance communities and protect the natural and built environment. We will support use of innovative environmental practices by our grantees in the research, planning, design, construction and operation of public transportation systems.

Deliverables:

- Conduct research and analysis on the effectiveness of new technologies such as hydrogen fuel cells and diesel hybrid electric engines to reduce air pollution emissions and increase the fuel efficiencies of public transportation vehicles.

- Develop information and provide easy internet accessibility to technical reports that help transit agencies make informed investment decisions on new vehicle purchases
- Achieve considerable performance improvements in durability, efficiency, and cost reduction in fuel cell bus technology through funding targeted government-industry research and demonstration efforts.
- Foster increased market share of hybrid electric buses by promoting emission certification procedures for hybrid buses.
- Foster improved environmental stewardship by transit agencies through research and information dissemination relative to alternative fueled propulsion systems for transit vehicles.
- Initiate the development of a plan to address the needs of research that will improve electric drive propulsion technology thereby reducing energy consumption and negative effects on the environment.

SAFETY

Performance Goal: Reduce the Rate of Transit Fatalities and Injuries

The request of \$12.816 million in FY 2008 contributes to the DOT Safety strategic objective to enhance public health and safety by working toward the elimination of transportation-related deaths and injuries.

The success of FTA investments in projects designed to enhance and increase the safety of public transportation systems cannot be understated. Public transit is the safest mode of transportation in the United States.

FTA is committed to strategically investing in projects that will further contribute toward decreasing public transit's injury and fatality rates. This request will allow FTA to continue to provide training, guidance, oversight, data collection, and analysis. The request will also fund technology that provides both transit safety and security benefits.

Performance Measure:

Fatalities and Injuries Per 100 Million Passenger Miles							
Year		2003	2004	2005	2006	2007	2008
Fatalities	Target	0.492	0.487	0.482	0.477	0.473	0.468
	Actual	0.461	0.467	0.428	0.344*		
Injuries	Target	36.3	36.0	35.6	35.2	34.9	34.5
	Actual	30.8	35.2	31.8	17.7*		

* Preliminary estimate based on 6 months of data from the National Transit Database and 4 months of Commuter Rail (CR) data from the FRA Rail Accident Incident Reporting System (RAIRS)

The resources requested to achieve this goal are:

FEDERAL TRANSIT ADMINISTRATION Appropriations, Obligation Limitations, & Exempt Obligations (\$000)

<u>Strategic and Performance Goals By Program Activities</u>	<u>FY 2006 Actual</u>	<u>FY 2007 Continuing Resolution</u>	<u>FY 2007 Pres. Budget</u>	<u>FY 2008 Request</u>
1. Safety				
Reduction in transit-related deaths and injuries				
1. Administrative Expenses	931	816	977	1,046
2. Formula and Bus Grants	3,690	3,950	3,950	4,150
3. Research and University Research Centers	<u>7,642</u>	<u>7,390</u>	<u>8,951</u>	<u>7,620</u>
Total – Safety	12,263	12,156	13,878	12,816
FTE (Direct funded associated with this segment)	7	6	7	7

General Overview: FTA will use the requested \$12.816 million in funding to promote public transit safety by providing transit safety and security training and emergency preparedness. This approach incorporates research, deployment of innovative technologies, and system safety and security transit management strategies. Safety research will promote safe, efficient transit operations by working toward the elimination of transit related deaths, injuries, and property damage.

FTA works in close collaboration with Federal, State, and local agencies to promote comprehensive approaches to the management of emergency incidents, including response and recovery activities. FTA will develop and disseminate guidance documents to enhance transit system preparedness for dealing with safety and security related incidents and the deployment of critical resources.

FTA will also provide follow-up specific technical assistance to help the transit industry understand and implement innovative safety and security strategies that enable them to reduce risks and mitigate consequences from acts of intentional harm against the transit infrastructure or its passengers and employees.

Funds from the Formula and Bus Grants Oversight takedown are used to fund critical oversight and safety activities, such as, State Safety Oversight; Drug and Alcohol Compliance; Bus Safety; and the National Transit Database (NTD) Safety and Security module.

PERFORMANCE ISSUE:

FTA shares the Administration's emphasis on safety and security as the top priority of the Nation's transportation system. Due in part to FTA's commitment to safety, public transportation is the safest mode of surface transportation. According to the National Safety Council, riding the bus is 47 times safer than traveling by car. Traveling by train is 23 times safer than traveling by car.

Over the last decade, FTA and transit systems throughout the country have focused and coordinated their efforts to dramatically reduce the number of transit related deaths and injuries. Because of this concentrated approach, much of the groundwork has been laid – allowing the continual improvement in transit safety at a lower marginal cost. FTA's goal is to increase the safety of public transportation while investing limited resources in other high risk program areas where FTA dollars will yield the greatest benefit.

FTA works diligently with States to successfully implement State Safety Oversight for Rail Fixed Guideway Systems rulemaking. The challenge is to further reduce the rate of fatalities and injuries, even as the total number of people using transit increases.

Five years of audits conducted by FTA have shown that the drug and alcohol programs of grantees, sub-recipients, and their contractors are usually in compliance with testing rules. An effective drug and alcohol program assists in the reduction of vehicular and mortal accidents. Audit findings and "best practices" will be summarized periodically for

publication and dissemination. Information from FTA’s Drug and Alcohol Management Information System is used to evaluate the effectiveness of oversight activities, including compliance audits of individual employers’ drug and alcohol testing programs.

Funds within the National Research Program promote safety in public transportation systems. Projects include: the Transportation Safety Institute’s transit safety and security-training program located in Oklahoma City, OK; the development of a Web-based tabletop exercise tool that enables transit agencies to test and practice protocols in response to various emergency events; and the continuation of research on bus rapid transit (BRT) operational safety issues.

ANTICIPATED FY 2007 ACCOMPLISHMENTS:

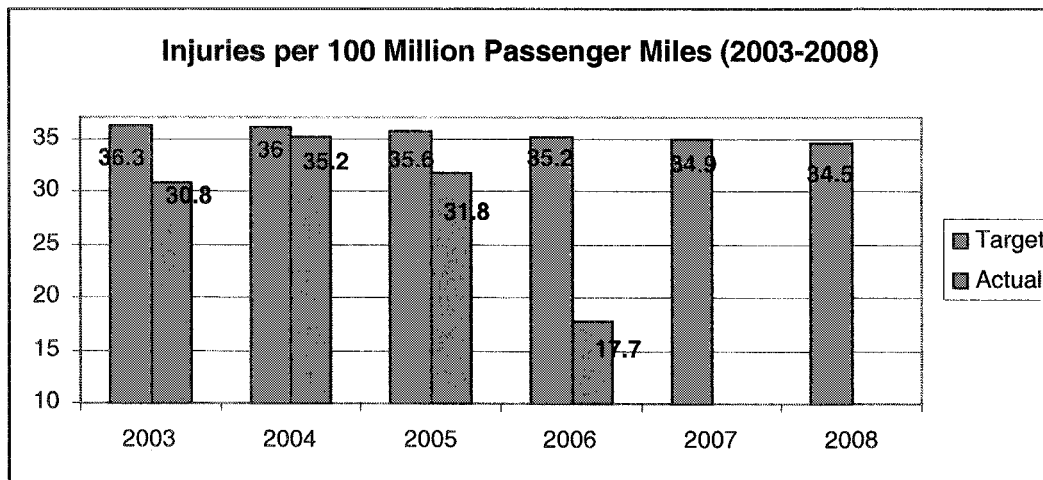
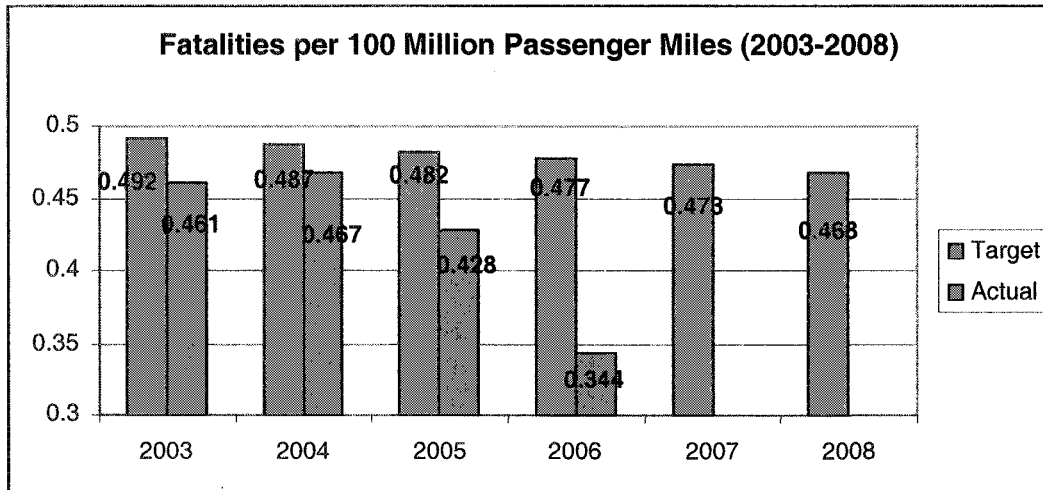
Public transit provides a flexible alternative to automobile travel, and offers a higher degree of safety. The FY 2007 goal for fatalities per 100 million passenger miles traveled is .473. In FY 2008, FTA set a target to lower this number by .005, reducing fatalities per 100 million passenger miles to .468. The FY 2007 goal for injuries per 100 million passenger miles traveled is to not exceed 34.9 per 100 million passenger miles, and in FY 2008 that target will be decreased by .5, producing a FY 2008 target of 34.5 or fewer injuries per 100 million passenger miles.

Fatalities and Injuries Per 100 Million Passenger Miles							
Year		2003	2004	2005	2006	2007	2008
Fatalities	Target	0.492	0.487	0.482	0.477	0.473	0.468
	Actual	0.461	.467	0.428	0.344*		
Injuries	Target	36.3	36.0	35.6	35.2	34.9	34.5
	Actual	30.8	35.2	31.8	17.7*		

* Preliminary estimate based on 6 months of data from the National Transit Database and 4 months of Commuter Rail (CR) data from the FRA Rail Accident Incident Reporting System (RAIRS)

During FY 2005, there were fewer than 0.482 fatalities per 100 million miles – exceeding FTA’s goal for that year. Preliminary estimates of transit fatalities suggest that FTA will do better than its FY 2006 goal of 0.477 transit fatalities per 100 million passenger miles traveled as well. The preliminary fatalities rate was calculated using six months of data from the NTD for all major modes of transit except commuter rail, and the first quarter commuter rail data from the Federal Railroad Administration’s Rail Accident Reporting System.

The trends for fatalities and injuries per 100 million passenger miles from 2003 to 2008 are reflected in the graph that follows:



FTA's oversight and implementation of the State Safety Oversight Program and the Drug and Alcohol Testing Rule directly supports the goal of enhanced public safety. During FY 2007 FTA will:

- Conduct a minimum of eight audits of State Safety Oversight agencies.
 - Conduct one State Safety Oversight workshop, designed to provide training to both State Safety Oversight agencies and transit systems overseen by these State agencies.
 - Conduct drug and alcohol testing compliance audits at a minimum of 18 sites, which will include both section 5307 grantees and State program managers of FTA sub-recipients.
- FTA's strategy for further reducing the low rate of transit fatalities will include continued investment in programs to improve transit safety by replacing older bus and rail vehicles with newer, safer ones, and to improve track and transit facility conditions. In addition, FTA continues to emphasize that safety be a design consideration from project inception.

FY 2008 PERFORMANCE BUDGET REQUEST:

Formula and Bus Grants - \$4.150 million

- Continue to monitor States responsible for safety oversight of rail systems to ensure compliance with the requirements of the State Safety Oversight Rule for Rail Fixed Guideway Systems.
- Continue drug and alcohol audits. FTA will provide technical assistance and training focused on identified deficiencies and non-compliance trends.

Research and University Research Centers - \$7.620 million

In FY 2008, FTA will use the 7.620 million in research funds to:

- Evaluate the impact of new vehicle and infrastructure technologies on transit safety and security. The program will include an ongoing analysis of data collected from accidents involving new technologies in bus and rail.
- Provide training for approximately 6,000 professionals through the TSI training program on subjects such as accident prevention and investigation, emergency management, industrial safety, alternative fuels, bus operator safety, and fatigue awareness.
- Update and revise key training course modules to reflect advances in the state-of-the-art and state-of-the-practice, and add new courses to meet changing training needs.
- Test materials used in transit vehicles for fire/life safety and update FTA's guidelines.
- Provide assistance to grantees and States to implement Federal regulatory requirements for drug and alcohol testing of safety sensitive employees. Provide training and technical guidance.
- Continue development and implementation of management information systems to monitor compliance and evaluate the drug and alcohol testing programs.
- Provide outreach to transit authorities through the dissemination of safety and security information. Maintain a national safety and security clearinghouse and Web site.
- Provide guidance on transit bus safety, including dissemination of model bus safety plans.
- FTA will support the efforts of the National Academy of Sciences to analyze transit research through its Transit Research Analysis Committee.

Administrative Expenses - \$1.046 million

This is requested for administrative support for the programs that support decreasing transit fatalities and injuries.

REDUCED CONGESTION

Performance Goal: Meet Transit Ridership and Accessibility Demands

This funding request of \$8.95 billion contributes to the DOT strategic goal of Reduced Congestion. It also addresses the increasing demands of the transit riding public by providing an accessible, affordable, reliable transportation system for all people, goods, and regions.

Ridership Performance Measure: Average percent change in transit boardings per transit market (150 largest transit agencies).

	2003	2004	2005	2006	2007	2008
Target	2.0	2.0	1.0	1.0	1.5*	1.5
Actual	0.7	0.7	1.9	2.1		

**Beginning in FY 2007 the percent change in transit boardings per transit market will no longer be adjusted of changes in employment level by market.*

This request will allow DOT to help provide access to transit systems that are free of physical barriers and efficient, offer flexibility and choice; and that will help advance America's economic growth and competitiveness domestically and internationally. The resources requested to achieve these goals are listed in the table below:

FEDERAL TRANSIT ADMINISTRATION Appropriations, Obligation Limitations, & Exempt Obligations (\$000)

Strategic and Performance Goals By Program Activities	FY 2006 Actual	FY 2007 Continuing Resolution	FY 2007 Pres. Budget	FY 2008 Request
2. Reduced Congestion				
Reduction in urban congestion				
1. Administrative Expenses	55,867	56,048	60,556	62,751
2. Formula and Bus Grants	6,123,096	6,165,426	6,460,892	6,946,762
3. Capital Investment Grants	1,487,970	1,566,000	1,466,000	1,399,818
4. Research and University Research Centers	44,098	42,810	37,245	38,250
Increased access for all Americans				
1. Administrative Expenses	1,197	1,088	1,256	1,345
2. Formula and Bus Grants	167,847	167,947	176,679	247,477
3. Job Access and Reverse Commute Grants	136,620	136,620	144,000	155,980
4. New Freedom Program	77,220	77,220	81,000	87,489
5. Research and University Research Centers	<u>7,136</u>	<u>8,756</u>	<u>10,350</u>	<u>8,450</u>
Total – Reduced Congestion	8,101,051	8,221,915	8,437,978	8,948,322
FTE (Direct funded associated with this segment)	429	420	443	429

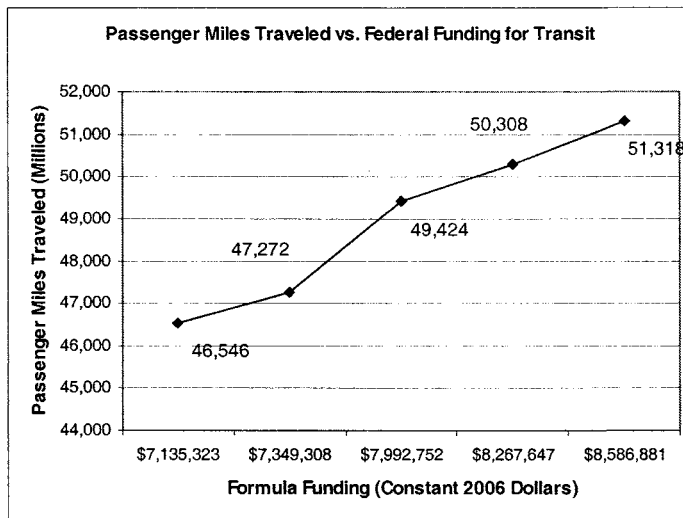
**FEDERAL TRANSIT ADMINISTRATION
Marginal Cost of Performance
Increased Transit Ridership**

Request by Strategic Goal (\$000)	FY 2006 Actual	FY 2007 Pres. Budget	FY 2008 Program Changes	FY 2008 Total Request
	\$7,992,752	\$8,328,571	\$509,156	\$8,837,527
1. Formula and Bus Grants	[6,504,782]	[6,862,571]	[575,338]	[7,437,709]
2. Capital Investment Grants	[1,487,970]	[1,466,000]	[-66,182]	[1,399,818]

Agency Output or Outcome Measure Associated with this Program increase:

Increased transit ridership – increase the average number of transit boardings per market (top 159 transit agencies) by 1.5 percent over the previous year. For the marginal cost of performance scenario, FTA used passenger miles traveled (PMT) the supplemental performance measure, to show the relationship between the increase in funding between FY 2006 and FY 2007 and increased performance. The initial ridership level is equal to actual ridership in 2004.

PMT (billions of miles)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
<u>Baseline Performance Level</u>						
Target	48.0	46.5	46.7	47.0	47.0	47.0
Actual	45.7	46.5	47.1			
<u>Incremental Performance Target With Program Changes</u>						4.3
<u>(Total) Performance Target With Program Changes</u>						51.3



Marginal Cost Narrative: FTA requests an additional \$575.3 million in Formula and Bus Grant funding and a decrease of \$ 66.2 million in Capital Investment Grants (New Starts) that contributes to achieving the goal of increasing transit ridership. In FY 2008, Formula and Bus Grants supports ridership with \$7.4 billion, and Capital Investment Grants supports ridership with \$1.4 billion. FTA’s incremental performance target based on the program changes for FY 2008 is 1.8 billion additional passenger miles over the PMT for FY 2007, when adjusted to FY 2006 dollars.

Analytical assumptions: The number of PMT are projected based on an elasticity calculated on PMT and total public funding for transit from the NTD. Capital investment data have been deflated using the OMB GDP deflator. The projections assume that 50 percent of total government funds come from state and local sources.

FEDERAL TRANSIT ADMINISTRATION
Marginal Cost of Performance
Job Access and Reverse Commute

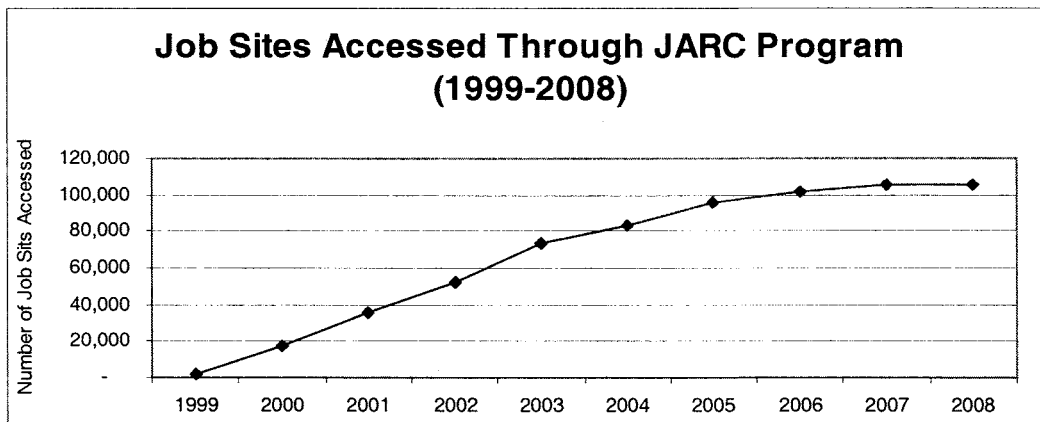
<u>Request by Strategic Goal (\$000)</u>	<u>FY 2006 Actual</u>	<u>FY 2007 Pres. Budget</u>	<u>FY 2008 Program Changes</u>	<u>FY 2008 Total Request</u>
1. Formula and Bus Grants - Job Access and Reverse Commute Grants	\$136,620	\$144,000	\$11,980	\$155,980
	[136,620]	[144,000]	[11,980]	[155,980]

Agency Output or Outcome Measure Associated with this Program Increase:

Number of Job Sites Accessed – The goal of the Job Access and Reverse Commute (JARC) program is to provide a means of transportation to work sites that have historically not been served by existing transit services. These gaps in job access that are filled by JARC may be either geographical – physical areas not served by existing routes, or temporal – certain shift change times that are either before or after regular transit service. As a result of the increased number of job sites being serviced by the JARC program, persons who cannot afford personal automobiles will have increased opportunities to find and maintain employment. The primary performance indicator for this program is the number of job sites accessed by JARC-funded services for the year.

Job Sites Accessed (thousands)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
<u>Baseline Performance Level</u>						
Target	50.0	50.0	50.0	50.0	50*	50*
Actual	73.7	82.8	95.4**	91.2**		
<u>Incremental Performance Target</u>						
<u>With Program Changes</u>						108.5
<u>(Total) Performance Target With</u>						
<u>Program Changes</u>						158.5

* FTA is revising the JARC performance metric in FY 2008 to measure the number of jobs made accessible by service supplied under the Job Access and Reverse Commute program. The current measure of 50 was based on constant 2000 dollars.
** Estimate – employment sites are estimated to be lower in FY 2006 than in FY 2005 is based on lower grant applications in the first year Job Access was distributed by formula as required by SAFETEA-LU.



Marginal Cost Narrative:

The FY 2000 budget enacted \$75 million for the JARC program, and JARC grantees reported servicing 17,000 job sites. By FY 2004, funding for JARC had been increased to \$95 million (constant 2000 dollars), and JARC grantees reported servicing 82,800 job sites. The FY 2008 request, after accounting for inflation, is 64% greater than FY 2004 and 8% greater than the request for FY 2007. If this additional funding increases the number of jobs accessed by a similar amount, then in FY 2008 JARC will be providing access to an additional 25,700 job sites.

PERFORMANCE ISSUE:

This request is consistent with the Administration's goal of ensuring that the Nation's transit infrastructure is as safe, efficient, and cost-effective as possible, thus attracting riders and maximizing the mobility, the accessibility, the economic, and the environmental benefits of public transportation. The Program Assessment of the Formula Grants programs received a PART score of 92 (out of 100) as part of the FY 2006 Budget, demonstrating that the Formula Grant program is effective in achieving annual and long term performance goals. The PART analysis of the New Starts program, completed during the FY 2005 budget process, rated 83 (out of 100), affirming that the program is well managed and effectively administered. Both of these highly rated programs form the core of FTA's support of the Department's strategic goal of Reduced Congestion.

One of the few items of concern in these analyses was raised in the New Starts analysis by the following question: "Has the program demonstrated adequate progress in achieving its long-term performance goals?" New Starts did indeed demonstrate progress in achieving its long-term performance goals through its Before and After Study program, but only received partial credit due to the infancy of this program. Since that time, the Before and After Study program has begun to mature, and data being received preliminarily indicates that New Starts is achieving its long-term performance goals of increasing ridership. The first study from a transit agency will be provided by the Utah Transit Authority in the summer of 2007, with more studies from other agencies expected within a year of this first report.

Congestion Reduction

Traffic congestion costs America an estimated \$68 billion a year in wasted time and fuel. The Department of Transportation has made reducing congestion a key strategic goal and implemented the Secretary's Congestion Relief Initiative as a means to meet that goal. FTA leads the Urban Congestion Team of the Secretary's Congestion Relief Initiative, a discrete program to measurably reduce the Nation's traffic congestion by January 2009.

Each year, Americans lose 3.7 billion hours and 2.3 billion gallons of fuel sitting in traffic. The President's request for the funding of 15 New Starts projects and other proposed projects alone will reduce this 3.7 billion hours wasted by 2 percent annually, and reduce the waste of fuel substantially by carrying 48 million transit riders who formerly would have used only an automobile for their commute.

Technology and the role of the private sector are amplifying the congestion mitigating impacts of transit. Smart cards, automatic train control, and bus priority signaling, in addition to new legislation promoting the use of cooperative agreements with the private sector to expand transit capacity, make transit an even more efficient transportation mode and further reduce congestion.

American businesses are beneficiaries of transit's positive effects on congestion. The Nation's economy as a whole benefits from transit's positive contributions toward reducing delays and delivering services more efficiently (through less congested roads). Transit saves

time, conserves fuel, and lessens the negative externalities that stem from congestion. These benefits and more can be realized through continued Federal funding of public transit.

ANTICIPATED FY 2007 ACCOMPLISHMENTS

The Capital Investment Grants and the Formula Grants programs, as in past years, are expected to achieve advances in the following areas supporting the strategic goal of Mobility:

Meeting Transit Ridership Demands:

- In FY 2006, ridership, as defined by the average percent change in transit boardings per transit market and adjusted for changes in employment, will increase at least one percent over FY 2005.
- The average condition of both the bus and rail fleets will be maintained in adequate (3.0) or above condition. This reflects continued FTA funding for transit capital investment, including new vehicles. The average condition of transit vehicles will fluctuate as a result of normal vehicle replacement cycles, since it would require a substantial increase in public investments to reach the level of 4.0 (good). Nor would it be efficient to reach this level if it required the replacement of vehicles that are still in operationally adequate condition.
- Prepare and execute at least one Urban-Partnership Agreement (UPA), which include the following elements: 1) Congestion Pricing, 2) Supportive Demand Management Actions, 3) Federal Incentives, 4) Congestion benchmarks and outcome targets for each UPA, and 5) Conduct preliminary work necessary for meeting our target of executing a total of three UPA's by 2009.
- Steady increases in transit investments have dramatically improved and expanded public transportation services and mobility options for many Americans while attracting record numbers of riders. At the same time, the growing problem of traffic congestion continues to choke America's roadways. FTA promotes transit ridership by funding and supporting alternatives to the automobile and through the sharing of information and best practices with transit agencies. To accomplish these goals FTA plans to: 1) Conduct ridership reviews at two of the Top 150 transit agencies, selected for underperforming ridership growth over the past two years, and issue reports on recommendations for cost-effective ways of increasing ridership at those agencies; 2) Recognize successful initiatives by FTA grantees to produce significant increases in ridership by presenting ridership awards to these high-performing transit providers; 3) Develop, in partnership with that National Transit Institute (NTI), a pilot session of a new course to equip transit agencies to conduct internal ridership reviews; and 4) Continue investment in transit infrastructure, both new systems and rehabilitation and replacement of existing fleets, to support increased ridership.

Transit Accessibility:

- The percentage of motor bus mode fleets that are compliant with the Americans with Disabilities Act (ADA) will meet or exceed the 97 percent target in FY 2007.
- In FY 2006, the number of employment sites that are made accessible by the Job Access and Reverse Commute (JARC) program has risen to over 90 thousand. FTA has however, chosen to evaluate the program in the future based on the number of

jobs accessed. FTA is currently revising or rebasing the measurement goal. This research effort testing the feasibility of the new measure and developing the FY 2006 baseline through the sampling of JARC grantees will be completed by spring of 2007.

- Further progress will be made under the United We Ride initiative by undertaking collaborative actions (e.g., joint grantee training, shared letters, joint conference calls with grantees, etc.) with other Federal partners at the national and regional levels that facilitate the implementation of the Coordinating Council on Access and Mobility (CCAM) policy statements on coordinated planning and vehicle sharing.
- Work will continue with other members of the Federal Coordinating Council on Access and Mobility to adopt cost sharing principles.

FY 2008 PERFORMANCE BUDGET REQUEST

The FY 2008 funding for Major Capital Investment Grants will allow FTA to both maintain its commitment to existing Full Funded Grant Agreements (FFGAs) and provide funding for some meritorious projects to advance closer to FFGA status. Likewise, the FY 2008 funding for the Formula Grants program will allow FTA to help local communities maintain and improve the condition of the nation's existing transit system. Having overall FTA activities implemented effectively and efficiently is essential to supporting FTA's performance measures of transit ridership and accessibility in order to support DOT's strategic goal of Reduced Congestion. The FY 2008 increase above FY 2007 helps accomplish this by allowing investment in public transit infrastructure nationwide.

Meeting Transit Ridership Demands:

Formula and Bus Grants - \$6,046.762 million

The Formula Grants programs fund buses, rail cars, and maintenance facilities that improve and expand the existing transit infrastructure. The major goal of the Fixed Guideway Modernization, a Formula and Bus Grants program is to maintain and improve the conditions on the Nation's older fixed guideway (primarily rail) systems. The Fixed Guideway Modernization program supports heavy and light rail systems and equipment as well as ferryboat operations.

Capital Investment Grants - \$1,399.818 million

The outputs of the Capital Investment Grants program include new transit systems, new extensions to existing transit systems, and an expedited criteria and project development process for capital investment grants less than \$75 million. As shown in the Section Three (3) under the Appropriation Account examples of New Starts projects, the effects of these outputs on the achievement of proposed FY 2007 performance targets are positive. Our PART assessment also demonstrated that the program has merit.

A recent analysis of transit benefits reported that the 20 new starts projects currently under FFGA are projected to carry 194 million total riders annually. This analysis clearly demonstrates New Starts congestion alleviating potential: of the total 194 million riders, approximately 74.2 million would have formerly used an automobile for their trips.

FTA is committed not only to continuous improvement of the New Starts Project Development Process, but also to identifying possible significant changes in the highly political and regulated environment of New Starts projects. FTA will implement improvements to the New Starts Project Development Process that:

- identifies projects that can be delivered on time and on budget, with the projected benefits
- clarifies roles and responsibilities within FTA during the evaluation process
- manages project risk rather than attempting to eliminate project risk
- assures proper allocation of risks and responsibilities among all parties
- reduces the time for delivering projects
- standardizes Federal review periods
- assures the predictability and transparency of FTA's New Starts guidance and project delivery process
- produces consistency in process outcomes
- accommodates possible alternative project delivery methods

Research and University Research Centers - \$38.250 million

The Research and University Research Centers programs fund activities that support increasing transit ridership. Studies will provide information on a range of issues important to the transit sector including:

- Ways to control capital costs.
- Determination of the performance characteristics of hybrid electric vehicles and other clean fuel buses, and identification of the agencies that are currently deploying these vehicles.
- Identification of both the most widely used and most critical criteria for transit agencies when making bus purchasing decisions.
- Identification of the most efficient and effective way to use geospatial data to help develop and enhance intercity public transportation service.
- Develop, in partnership with that National Transit Institute (NTI), a pilot session of a new course to equip transit agencies with the capacity to conduct internal ridership reviews.
- A framework for informed project selection by decision-makers at the State, MPO, and transit operator levels.

Associated Administrative Costs for Ridership - \$62.751 million

This amount is requested for administrative support for the programs that support transit ridership.

Ridership Outreach

In addition, DOT and FTA have launched a major initiative to assist transit agencies and communities to more fully utilize their transit infrastructure by increasing ridership. This effort will maximize the economic, environmental, and mobility benefits of transit investment. Activities over the past year include:

- Individualized Marketing Demonstration Program - FTA partnered with four communities (Bellingham, Washington; Sacramento, California; Columbus, Ohio; and Durham, North Carolina) to test an innovative travel behavior modification program through personalized marketing. The program encourages individuals to choose alternatives to single occupancy vehicle travel, such as transit, cycling, carpooling or walking. Each study includes a “before and after” survey, with a control group, to determine the impact of the program on participant travel behavior.
- Enhanced Human Services Coordination – In response to the President’s Council on Access and Mobility, FTA launched the “United We Ride” initiative to improve accessibility to transportation for individuals with disabilities, older adults, and people with lower incomes.
- FTA launched its “pilot ridership initiative” by conducting site visits at two transit agencies, Hartford, Connecticut and CTRAN in Clark County, Washington, that experienced a decrease in ridership during the last two years. FTA provided technical assistance and performed comprehensive reviews, identifying opportunities where improvements in transit ridership could be. Both CT Transit and CTRAN have developed implementation plans based on FTA recommendations.
- In FY 2006, FTA performed reviews at the San Mateo County Transit District (SamTrans) in San Carlos, CA and at the Suburban Mobility Authority for Regional Transportation (SMART) in Troy, MI. Both developed comprehensive implementation plans which are being tracked by FTA to determine the impact the recommendations have on ridership.
- Innovative Practices for Increasing Ridership - FTA launched a new webpage of innovative practices to increase transit ridership. The site will be updated regularly to include successful new approaches used by transit agencies to increase ridership.
- Market-Based Ridership Strategies - FTA developed a two-day National Transit Institute course to assist transit operators in learning about and implementing market-based strategies to increase transit ridership.
- FTA is working with the Transit Cooperative Research Program on a study, “Determining the Elements Needed to Create High Ridership Transit Systems,” which is expected to be completed in spring 2007.

RIDERSHIP PILOTS

In FY 2005, FTA launched its “Pilot Ridership Initiative” by conducting site visits at two transit agencies – Connecticut Transit in Hartford, Connecticut and CTRAN in Clark County, Washington - that experienced a decrease in ridership during the last two years. FTA performed comprehensive reviews to identify opportunities where improvements in transit ridership could be made and to provide technical assistance. Both CT Transit and CTRAN have developed implementation plans from the recommendations that they chose to accept and are actively implementing new policies and initiatives. In FY 2006, FTA conducted two additional ridership site visits and comprehensive reviews of the Suburban Mobility Authority for Regional Transit (SMART) in Troy, MI and the San Mateo County Transit District (SamTrans) in San Carlos, CA to increase their ridership. Both developed comprehensive implementation plans which are being tracked by FTA to determine the impact the recommendations have on ridership. In FY 2007, FTA will develop a training course to be conducted by the National Transit Institute that will teach transit agencies to perform their own, internal reviews to increase ridership. FTA will also perform one ridership review at the Riverside Transit Agency.

Transit Accessibility:

Formula and Bus Grants - \$490.946 million

This amount is comprised of Formula Grants and Transit Research, Job Access and Reverse Commute, and the New Freedom Initiative. The outputs of the Formula Grants State Administered Programs include providing access to transit to those who depend on it as a mode of transportation.

In addition, FTA has also launched the “United We Ride” initiative to improve accessibility to transportation for those who need it the most and who have much to contribute to society.

Research and University Research Centers - \$8.450 million

The Research and University Research Centers programs fund activities that support transit accessibility. One of those activities, United We Ride, will result in a more accessible transit system by helping make it more affordable and reliable to those who depend on it the most.

DOT/DHHS Human Services Transportation Coordination – In February 2003, President Bush issued an Executive Order to enhance coordination of human service transportation by formalizing a critical partnership between the Federal agencies that are responsible for 62 Federal programs that support these activities.

In response to the recommendations of the President’s Council on Access and Mobility, FTA implemented United We Ride, a five-part nationwide initiative to improve transportation services for people with disabilities, people with low incomes, and older adults. The initiative to improve the coordination of human services transportation includes:

1) publication of “*A Framework for Action*”-- a self-assessment tool that States and communities can use to identify areas of success and the actions still needed to improve the coordination of human service transportation; 2) recognition of leadership -- in February 2004, former Secretary Mineta recognized five States Ohio, North Carolina, Washington, Florida, and Maryland that are leading the way in building and implementing infrastructures, policies and programs that facilitate human service transportation coordination; 3) holding a National Leadership Forum -- Governor-appointed senior leadership teams from 47 States and U.S. territories met to raise the visibility of the need to improve human service transportation coordination among State leaders, provide technical assistance, and secure commitments to action; 4) providing grants -- \$2 million was provided to address gaps and needs related to human service transportation in their geographic regions; and 5) providing technical assistance -- “*Help Along the Way*” was launched that built on the work of the Community Transportation Assistance Program, the Rural Transportation Assistance Program, and Easter Seals Project ACTION.

These activities compliment the Job Access and Reverse Commute (JARC) program created by Congress to meet the huge demand for transit services among people with low incomes – only six percent of individuals formerly on welfare own an automobile.

UNITED WE RIDE

- In Kentucky, the State’s governor combined funds from several human service transportation programs into a single fund, and established regional transportation brokers. The cost per ride was reduced by 20 percent, while the number of rides was increased substantially.
- In Miami, coordinating Medicaid transportation with public transportation resulted in a win-win situation for the local Medicaid agency, the transit providers and Medicaid customers. By issuing transit passes to allow Medicaid customers to use less-expensive fixed route transit instead of more expensive paratransit or taxi trips, the Medicaid agency saves (and the taxpayer save) \$700,000 per month—almost \$8 million a year.

Associated Administrative Costs - \$1.345 million

This amount is requested for administrative support for the programs that support transit accessibility. Increases in both the Capital Investment Grants and Formula Grant programs are linked to the FTA-level measures of increased transit ridership and accessibility by helping to improve and expand transit infrastructure. The New Starts program increases ridership by providing new infrastructure, which in turn provides cost effective alternatives to driving alone. The Formula Grants program increases ridership by helping local communities make sure that the nation’s transit system is maintained and improved to meet the ever-increasing transit ridership demands of the public. In addition, both of these

programs improve the accessibility of those who may face obstacles to basic transportation that others do not.

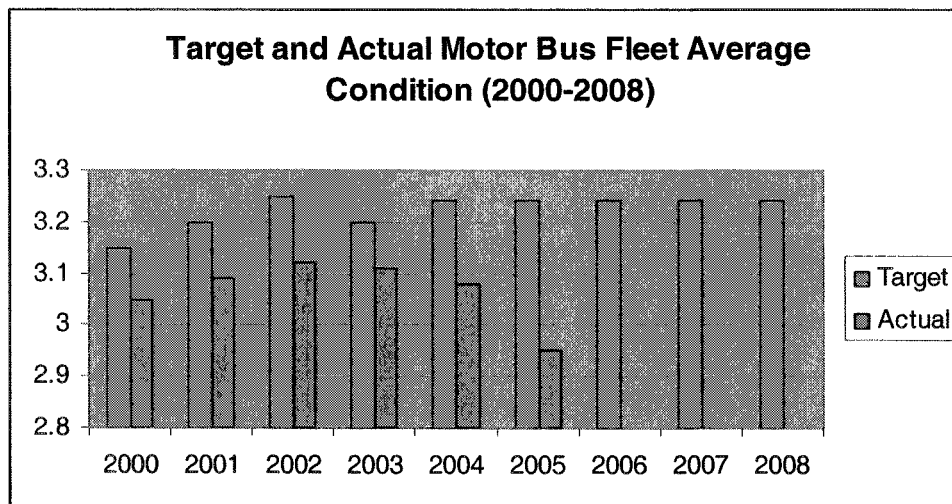
The results of these increased funding levels contribute to the DOT level outcomes of improved infrastructure in all modes, reduced congestion in all modes, increased reliability throughout the system, and increased access for all Americans by accomplishing the following:

- Maintaining and improving the nation’s transit system infrastructure in non-urban areas.
- Maintaining and improving the reliability of the transit portion of the nation’s multi-modal transportation system.
- Providing a solid commitment to transit accessibility by ensuring that existing and new transit services are accessible to those facing economic and physical obstacles to personal mobility. Moreover, transit itself provides accessibility to those who do not have access to other means of transportation such as automobiles.

Ridership Performance Measure: Improved infrastructure as measured by improved average condition of transit motorbus fleet and transit rail vehicles.

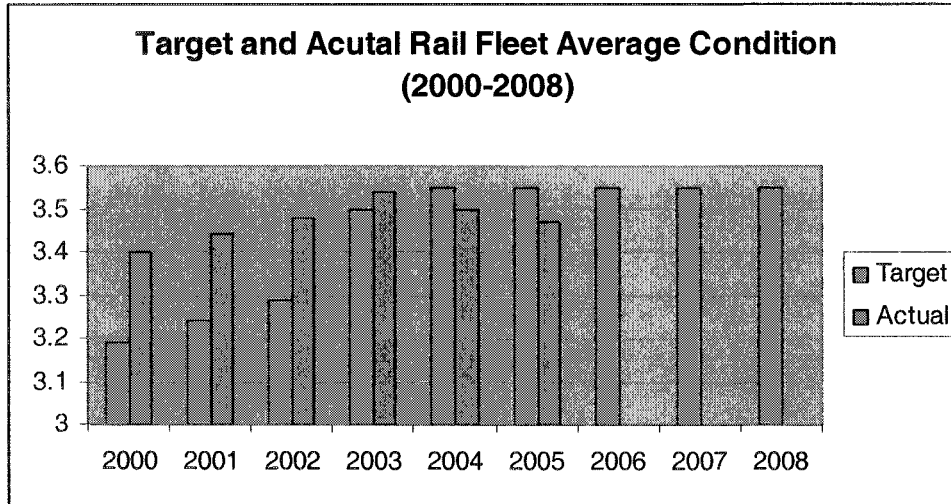
- The 2007 goal for bus fleets is to stabilize conditions at 3.24 (on a scale of 1.0 (poor) to 5.0 (excellent)).

Average condition of motor bus fleet (on a scale of 1 (poor) to 5 (excellent)).									
	2000	2001	2002	2003	2004	2005	2006	2007	2008
Target:	3.15	3.20	3.25	3.20	3.24	3.24	3.24	3.24	3.24
Actual:	3.05	3.09	3.12	3.11	3.08	2.95			



- The 2007 goal for rail vehicles is to stabilize conditions at 3.55.

Average condition of rail vehicle fleet (on a scale of 1 (poor) to 5 (excellent)).									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Target:	3.19	3.24	3.29	3.50	3.55	3.55	3.55	3.55	3.55
Actual:	3.40	3.44	3.48	3.54	3.50	3.47			



Accessibility Performance Measures: Improved accessibility to bus and rail systems as measured by percentage of bus fleet ADA-compliance and percentage of key rail station ADA-compliance. Improved accessibility to jobs as measured by employment sites made accessible by Job Access and Reverse Commute (JARC).

Percentage of key rail stations that are ADA-compliant.							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Target:	68	79	89	84	91	93	94
Actual:	77	82	82	91	92*		

*Preliminary estimate

Percentage of bus fleets that are ADA-compliant.							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Target:	86	89	92	95	97	97	98
Actual:	90	93	95	97*	97*		

* Preliminary estimate

**Jobs made accessible by Job Access and Reverse Commute (JARC) transportation services.
New performance measure FY 2007.**

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Target:	N/A	N/A	N/A
Actual:	N/A	N/A	N/A

FTA has demonstrated through Program Assessments the linkage between the strategic goal of Reduced Congestion and its Capital Investment Grants, Formula and Bus Grants, and Research accounts. To strengthen our performance criteria, in the FY 2004 New Starts rating process, FTA implemented a measure of “travel time saved” to replace “number of new riders” in the calculation of cost-effectiveness. This will make certain that taxpayers receive value for their investment in New Starts projects by utilizing a measure that more fully captures the transportation benefits of each project, including congestion relief. Unlike “number of new riders,” which assumed that congestion relief is the same for each new rider everywhere, “travel time saved” credits projects with reducing travel time for current transit users. This new measure also more accurately credits projects for congestion relief attributable to new transit riders based upon the length of a trip and whether riders had used congested roadways.

The New Starts Program is FTA’s primary program for the expansion of transit infrastructure in the United States, providing additional supply of transit services to get people out of cars on congested roads and on to transit. Due to the complexity and size of New Starts projects, the delivery time for these projects can range from 6 -12 years. While the methodologies for justifying, rating and managing these major transit investments continue to show incremental improvement, stakeholders have raised questions on the effectiveness and efficiency of FTA’s decision-making process. FTA is committed not only to continuous improvement of the New Starts Project Development Process, but also to identifying possible significant changes in the highly political and regulated environment of New Starts projects. This will ensure that only projects worthy of Federal investment are proposed for funding.

GLOBAL CONNECTIVITY

Performance Goal: Facilitate an International Transportation System that Promotes Economic Growth and Development

This request of \$999 thousand will fund the FTA's Trade Promotion, Technical Assistance, and Training Program and the International Mass Transportation Program. These programs support the departmental strategic objective to facilitate an international transportation system that promotes economic growth and development. Trade missions and other trade events permit domestic providers of transit goods and services to showcase their products internationally. This leads to increased exports of domestic transit equipment and services.

The Department has created a new goal which will measure the dollar value of overseas contracts awarded to U.S. companies as a result of FTA's promotional activities. There is no available historical data at this time.

The resources requested to achieve this goal are:

FEDERAL TRANSIT ADMINISTRATION Appropriations, Obligation Limitations, & Exempt Obligations (\$000)

Strategic and Performance Goals By Program Activities	FY 2006 Actual	FY 2007 Continuing Resolution	FY 2007 Pres. Budget	FY 2008 Request
3. Global Connectivity				
Reduced barriers to trade in transit goods and services				
1. Administrative Expenses	266	272	279	299
2. Research and University Research Centers	<u>400</u>	<u>600</u>	<u>600</u>	<u>700</u>
Total – Global Connectivity 1/ FTE (Direct funded associated with this segment)	666 2	872 2	879 2	999 2

1/ Does not include an estimated \$100,000 provided under the indefinite appropriation in FY 2006.

General Overview: The request of \$999 thousand in FY 2008 will provide funds to promote the export of U.S. transit goods and services, and will inform the U.S. transit community about technology and innovations found abroad that can be used to improve domestic transit systems.

PERFORMANCE ISSUE:

International trade and travel have become an increasingly important part of DOT's strategic thinking. The Department seeks to reinforce and maintain the United States' position as the global leader in transportation by promoting safe, secure, accessible, environmentally

friendly, and efficient global transportation systems. The Department's international activities aim to promote the economic well-being of U.S. businesses and of its citizens abroad. The Department acts bilaterally, regionally or multilaterally, as appropriate to achieve its international objectives through cooperation with other U.S. Government and international agencies and with the private sector.

The proposed funding will enable FTA to pursue technology transfer activities with developed countries where Memorandums of Understanding have been established and with developing countries where trade opportunities may exist. FTA will continue to:

- Collaborate with bilateral partners to facilitate more transit connections across international borders with Canada and Mexico.
- Work with international development agencies to provide technical assistance, training, and support for technology transfer to foreign transportation stakeholders.
- Develop and engage in international science and technology activities and exchanges.
- Foster the harmonization of transit Intelligent Transportation System (ITS) standards through membership in Working Group #8: "Public Transport and Emergency Services" of the International Standards Organization.
- Promote safe and accessible public transportation at the 2010 Winter Olympics in Vancouver-Whistler, Canada and at the Disabled People's International (DPI) 2007 Annual Meeting in Seoul, South Korea.
- Organize a workshop and trade mission in China for US transit suppliers.
- Ensure a substantial US transit business community presence at the UITP EXPO in Helsinki.

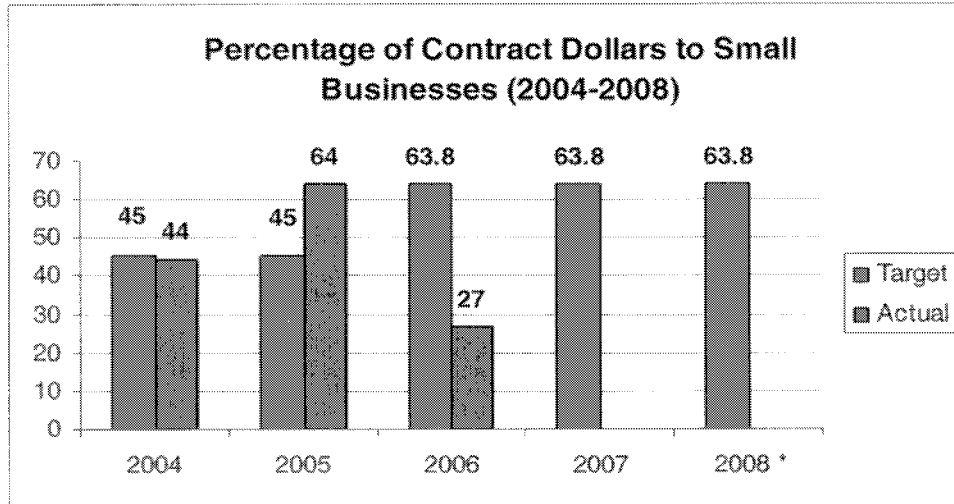
The International Mass Transportation Program will also support the departmental strategic objective of enhancing the international competitiveness of U.S. transportation providers and manufacturers by providing access to international markets for the export of domestic transit goods and services. Trade missions and other trade events permit domestic providers of transit goods and services to showcase their products internationally. Past trade mission members and participants in trade shows have reported substantial sales resulting from their participation.

Performance Measure: Percentage of Contract Dollars to Small Businesses, Disadvantaged Business Enterprises, and Woman-Owned Businesses

FTA supports the Partnership Agreements between DOT and the Small Business Administration (SBA) by targeting a percentage of contract dollars for award to small, disadvantaged, and woman-owned businesses.

As indicated in the chart and graph below, in FY 2005 FTA exceeded its targeted 45 percent of contract dollars to small businesses by 19 percent. Targets for FY 2006 and FY 2007 were revised upward to 63.8 percent of contract dollars to small businesses as a result. In FY 2006, only 27 percent of total contract dollars went to small businesses.

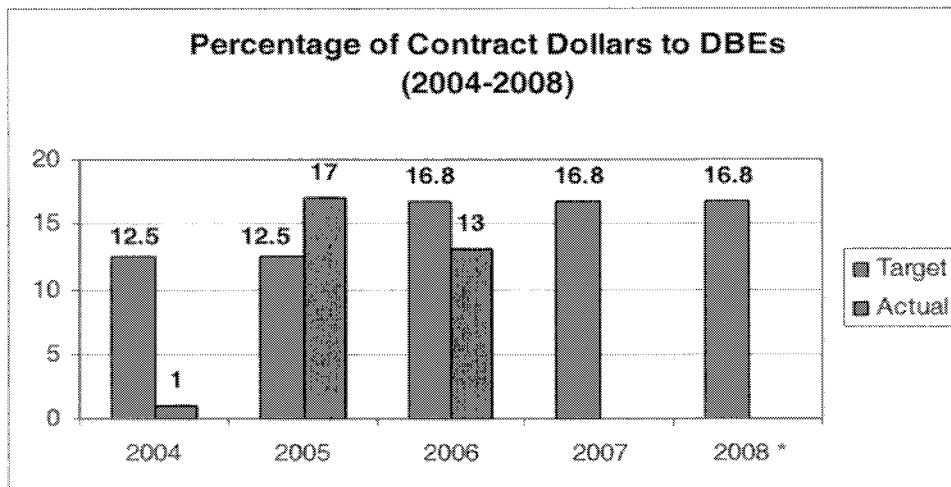
Percentage of Contract Dollars to Small Businesses (%)					
	2004	2005	2006	2007	2008
Target	45	45	63.8	63.8	63.8*
Actual	44	64	27	N/A	N/A



*FY 2008 targets are projected to match FY 2007 targets.

FTA increased its contract dollars awarded to disadvantaged business enterprises between FY 2004 and FY 2005. In FY 2006 this percentage fell slightly to 13 percent from its high in 2005 of 17 percent of contract dollars.

Percentage of Contract Dollars to Disadvantaged Businesses (%)					
	2004	2005	2006	2007	2008
Target	12.5	12.5	16.8	16.8	16.8*
Actual	1	17	13	N/A	N/A



*FY 2008 targets are projected to match FY 2007 targets.

FTA has enjoyed success in procuring contract agreements with woman-owned businesses. The chart and graph below demonstrate that FTA exceeded its target of 5 percent of contract dollars awarded to woman-owned businesses in both 2004 and 2005. Targets for FY 2006 and FY 2007 were increased to a level that parallels the FY 2005 actual percentage of contract dollars awarded. However, while during FY 2006 the percentage of contracts to woman-owned businesses did exceed the former targets of 5 percent, it did not reach the revised goals.

Percentage of Contract Dollars to Woman-Owned Businesses (%)					
	2004	2005	2006	2007	2008
Target	5	5	27	27	27*
Actual	6	27	7	N/A	N/A



*FY 2008 targets are projected to match FY 2007 targets.

ANTICIPATED FY 2007 ACCOMPLISHMENTS:

FTA works to assist the U.S. public transportation industry access business opportunities in the global marketplace. Efforts over the past year have included the following activities and achievements:

- FTA partnered with the Department of Energy to support public transportation initiatives in conjunction with the 2008 Beijing Olympics. The objective of this initiative is to help U.S. firms with environmentally friendly transit technologies enter the Chinese market. Several U.S. companies have gained or increased share of the Chinese market as a result of these activities.
- As a result of discussions with delegations from developing countries organized by FTA, two U.S. firms have been selected by the Rwandan government to carry out a feasibility study, and subsequently, implement a new bus system in Kigali. The governments of Nigeria and Burkina Faso are also studying proposals from

U.S. engineering firms and equipment suppliers to upgrade their public transportation systems.

- Pursuit of technology transfer activities with those developed countries with which FTA has Memorandums of Understanding (e.g. Japan, Germany, France and Brazil) to help U.S. companies enter international markets.
- Providing increased trade support to the domestic transit industry through trade missions, reverse trade missions, market research, and other trade related activities. These include trade missions to Asia, Latin America and Africa.
- Development of markets for U.S. transit exports through the continuation of the transit training and information diffusion program for developing nations in Latin America and Africa.

FY 2008 PERFORMANCE BUDGET REQUEST:

Research and University Research Centers – Trade Promotion, Technical Assistance, and Training - \$700 thousand

The funding request of \$700,000 will be used for trade missions, trade shows, and reverse trade missions. Funds will encourage meetings with foreign decision makers and foreign companies that are interested in purchasing U.S. transit goods and services.

Funding for the Trade Promotion, Technical Assistance, and Training program will support three strategic areas: market research, training, and technical cooperation. Market research results in reports about foreign markets that are available to the U.S. domestic community. Training involves classroom courses held as well as site visits to U.S. transit operations, and assessments of foreign transit operations. Technical cooperation includes bilateral meetings and fact-finding missions to foreign operations that result in publications for the domestic transit industry.

Administrative Expenses - \$299 thousand

This is requested for administrative support to advance economic growth and international competitiveness by providing access to international markets for the export of domestic transit goods and services.

ENVIRONMENTAL STEWARDSHIP

Performance Goal: Promote Transportation Solutions that Enhance Communities and Protect the Natural and Built Environment

This funding request contributes to the DOT Environmental Stewardship strategic objective and helps to protect and enhance communities and the natural environment affected by transportation.

The request of \$387.2 million would allow DOT to provide grants to State and local governments, enabling them to protect and enhance their communities and the environment. Transit's ability to mitigate traffic congestion by reducing car travel contributes to a cleaner environment.

The resources requested to achieve this goal are:

FEDERAL TRANSIT ADMINISTRATION Appropriations, Obligation Limitations, & Exempt Obligations (\$000)

<u>Strategic and Performance Goals By Program Activities</u>	<u>FY 2006 Actual</u>	<u>FY 2007 Continuing Resolution</u>	<u>FY 2007 Pres. Budget</u>	<u>FY 2008 Request</u>
4. Environmental Stewardship				
Reduced pollution effects of transit				
1. Administrative Expenses	665	680	698	747
2. Formula and Bus Grants	239,250	248,284	275,989	299,335
3. Bus and Bus Facilities	73,791	69,215	76,896	83,346
4. Research and University Research Centers	<u>11,594</u>	<u>2,990</u>	<u>1,950</u>	<u>3,750</u>
Total – Environmental Stewardship	325,300	321,169	355,533	387,178
FTE (Direct funded associated with this segment)	5	5	5	5

General Overview -- FTA is requesting \$387 million in FY 2008 program resources, including \$747 thousand in associated administrative expenses to help achieve this DOT strategic objective, by funding clean fuel buses, and research and technology development that can improve air emissions, thus helping to protect and enhance communities and the natural environment.

PERFORMANCE ISSUE:

Current trends in transportation increase pressure on environmental resources and energy. Commercial and personal travel is expected to continue to increase. Increased travel boosts transportation’s energy consumption that is tied to air emissions and greenhouse gasses (GHG), an emerging concern for the transportation sector which produces 26.8 percent of the GHG emitted in the U.S., and is increasing emissions faster than any other sector.

FTA Performance Measures: Increase by 2% per year the number of energy efficient and low emission vehicles in the transit industry.

Americans drive their 200 million cars and light trucks more than 2 trillion miles a year and emit more than half the air pollution nationwide. Transit has the potential to significantly reduce pollution without imposing more taxes or more government regulations. Energy saving are just as important. An astounding 43 percent of America’s energy is used for transportation—and a substantial amount of that is wasted because of highway congestion. Some examples of energy savings and environmental protections include:

- Each year, the use of public transportation saves the equivalent of 855 million gallons of gasoline each year –or 45 millions barrels of oil, the equivalent of about three months of energy used to heat, cool, and operate American homes.
- Current public transit use helps avoid the release of nearly 745,000 tons of carbon monoxide (CO)—roughly 75 percent of the CO emissions from all U.S. chemical companies.

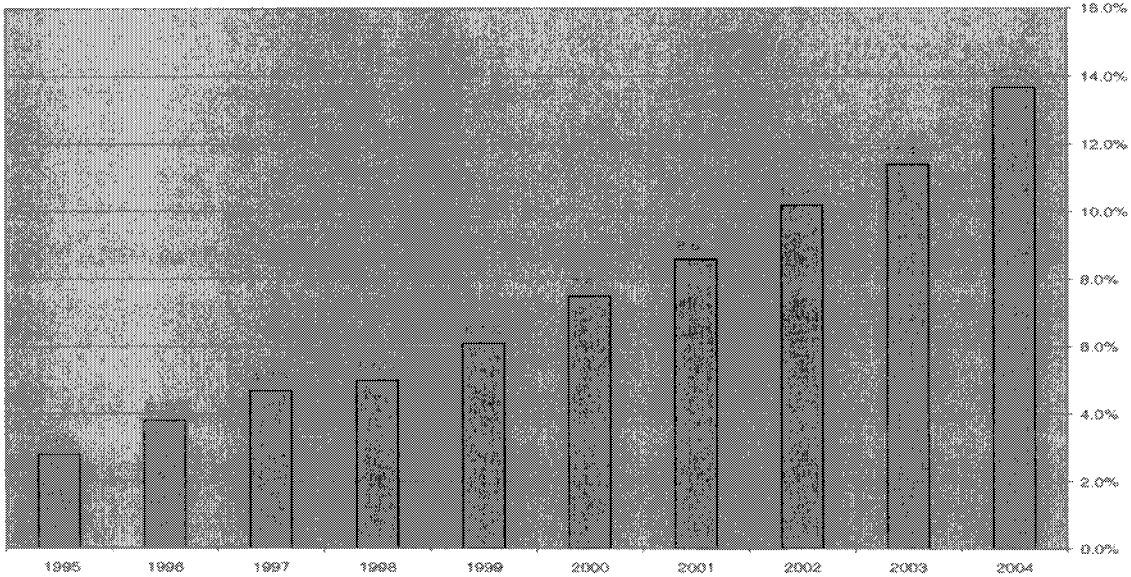
As part of FTA’s continuing efforts to maximize mobility and minimize fuel related consumption and air pollution, FTA is striving to increase by two percent per year the deployment of energy efficient and low emission technology vehicles in the transit industry.

Alternative Fuel Bus Purchases								
Year	2001	2002	2003	2004	2005	2006	2007	2008
Number of Buses (Projected)	3,933	4,011	4,092	4,173	4,257	4,257	4,257	4,257
Buses (Actual)	3,320	3,378	2,890	3,274				

Shaded area represent projections

One output of this measure is reflected in the increased share of the national bus fleet which uses alternative or ‘clean’ fuels. The national bus fleet using other than diesel or gasoline fuel rose from 2.8 percent in 1995 to 13.7 percent in 2004. Clean fuels encompass compressed natural gas, hybrid electric, battery, ethanol, liquefied natural or petroleum gas, kerosene, bio-diesel, grain substitute and other low or zero-emission technology fuels.

Percent of National Bus Fleet Using Alternative Fuels 1995-2004										
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Alternative Fuel Fleet (%)	2.8%	3.8%	4.7%	5.0%	6.1%	7.5%	8.6%	10.2%	11.4%	13.7%



FTA continues to examine practices and technologies that may lead to further improvements in air emissions and fuel-efficiency than an average automobile. Savings in the related energy costs will help lower the operating expenses of transit agencies.

Supplemental Department Performance Measure:

Median time to complete EISs and EAs ¹ for DOT-funded infrastructure projects.								
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Target:	N/A	N/A	N/A	N/A	35	30	30	30
Actual:	N/A	N/A	N/A	N/A	N/A			

¹ EIS – Environmental Impact Statement; EA – Environmental Assessment

ANTICIPATED FY 2007 ACCOMPLISHMENTS:

- Initiate the development of a plan to identify areas of research required to address the need to improve electric drive propulsion technology that will result in reducing energy consumption and its negative effects on the environment.
- FTA's research and analysis on the effectiveness of new technologies such as hydrogen fuel cells and diesel hybrid electric engines will help reduce air pollution emissions and promote the increase of fuel efficient public transportation vehicles. Through funding targeted towards government-industry research and demonstration these efforts will provide considerable performance improvements in durability, efficiency, and cost reduction in fuel cell bus technology.
- Foster an increased market share of hybrid electric buses by promoting emission certification procedures for hybrid buses. FTA will provide guidance to the transit agencies on the full benefit of emissions reduction.
- Collaborate with FHWA, States, and transit agencies to streamline the environmental review of transportation infrastructure projects by issuing: 1) Guidance to carry out the mandates of SAFETEA-LU Section 6002 by November 30, 2006; 2) amendments to the joint FTA/FHWA environmental impact procedures at 23 CFR Part 771 by September 30, 2007; and 3) for OST review, amendments to the joint FTA/FHWA Section 4(f) rule on preservation of publicly-owned parkland, wetlands, wildlife and waterfowl refuges, and sites of historic significance by May 30, 2007.
- In partnership with FHWA, support two National Transit Institute seminars providing outreach to the planning, transit, and highway communities on the links, for specific capital projects, between Statewide Planning, Metropolitan Planning, and NEPA Document Preparation, in order to improve the coordination of activities and to avoid the duplication of efforts.
- An estimated 3,985 buses (including 30-40ft buses and under 30ft buses) will be purchased with funds under the Urbanized Area Formula Grants, State Administered Programs and the Bus and Bus-facilities Program. In addition, with funding provided under Metropolitan/Rural Policy Development, FTA will complete an analysis of the environmental benefits of transit based on automobile usage, energy savings, and reduced motor-vehicle emissions.
- In cooperation with EPA and FHWA, FTA is striving to reach agreement on new air quality analysis requirements for highway and transit projects in fine particulate matter (PM-2.5) non-attainment areas. EPA's designations of areas that do not attain the new PM-2.5 air quality standard took effect in April 2005. The analytical requirements of EPA's conformity rule could apply to all projects, without regard to scale of the project or the real potential for adverse effects. Depending on the outcome of studies that will begin during FY 2007, smaller projects that pose no threat to air quality could possibly be relieved of an unnecessary, costly, and time-

consuming analytical burden in PM-2.5 non-attainment areas. EPA must concur in FTA's analysis to achieve this result.

- Each year, Americans lose 3.7 billion hours and 2.3 billion gallons of fuel sitting in traffic. The President's request for the funding of 16 New Starts projects and other proposed projects alone will reduce this 3.7 billion hours wasted by 2 percent annually, and reduce the waste of fuel substantially by carrying 48 million transit riders who formerly would have used only an automobile for their commute.
- In FY 2004, formula program and bus and bus-facility funds were used to purchase 1,685, 30-40ft buses, and 2300 buses under 30ft in length. 253 of these were Compressed Natural Gas vehicles, 68 Liquefied Natural Gas vehicles, 32 electric vehicles and 227 by other propulsion. A total of 2,627 were clean diesel vehicles.

FY 2008 PERFORMANCE BUDGET REQUEST

Formula and Bus Grants -- \$382.681 million

Over the past several years, the funding provided through Formula Grants has allowed FTA to maintain its commitment of reducing air pollutants and greenhouse gases, thereby helping to protect and enhance communities and the natural environment by funding clean fuel buses. These base funds have provided the proper levels of formula and oversight funding to ensure that new transit projects help to protect and enhance communities and the natural environment. Having overall FTA activities implemented effectively and efficiently is essential to supporting DOT's performance goal of environmental stewardship. The FY 2008 request, similar to the FY 2007 estimate is expected to help meet FTA's commitment to these performance measures.

The outputs of the Formula and Bus Grants program include investing in clean fuel buses that reduce the amount of harmful particulates emitted into the atmosphere. FTA estimates that this amount will be used by its grantees to purchase clean fuel buses nationwide, through clean fuel bus purchases under the Formula Grants programs.

In FY 2008, an estimated 3,368 30-40 ft low emission buses will be purchased with funds under the Environment Stewardship objective. This will contribute substantially to the Environmental Stewardship goal of reducing emissions.

In addition, FTA requests \$300 thousand in Formula and Bus Grants from the Oversight takedown to provide for environmental requirements of programs, including the goal environmental stewardship over major transit investments. These funds will support:

- Environmental Review Process Oversight including technical support of the environmental reviews of proposed transit projects.
- Environmental Management for New Starts including strengthened environmental streamlining and stewardship.

Research and University Research Centers - \$3.75 million

Research and University Research Centers funding aimed at providing energy efficient and low emission technology vehicles in the transit industry helps to advance research and technology development projects. New transit projects are being developed that assist in establishing a basis to protect and enhance communities and the natural environment. Helping to fund the energy efficient research projects is essential to furthering FTA's commitment to this performance measure which also contributes to the foundation of DOT's performance goal of environmental stewardship. The FY 2008 request, similar to the FY 2007 estimate for funding is expected to help meet FTA's commitment to this performance measure.

These funds will support:

- Clean Fuels & Electric Drive Bus Deployment (Hybrid Electric) Program — FTA is requesting \$2.0 million in FY 2008 for its Clean Fuels and Electric drive Bus Deployment (Hybrid Electric) program in response to FY 2006 Congressional direction for FTA to encourage deployment of new low emission technology, including hybrid electric buses. FTA's Hybrid Electric program will develop a comprehensive approach to address existing barriers within the transit industry to the adoption and deployment of new low emission technology. This includes addressing the need for improvements to the current generation of hybrid electric bus technologies: improving the cost, reliability, and performance of hybrid energy storage systems; demonstrating electrically driven accessories; and exploring the use of hybrids as a mobile source.
- Undertake research on technologies and method to reduce energy consumption (electric or fuel) of rail systems. Rail systems consume considerable energy resources (either through the electric grid or through fuels) that are a substantial proportion of operating costs. Research will examine wayside energy storage substations, regulation and reduction of peak power demand, use of regenerated energy, and reducing voltage.
- The DOT Center for Climate Change and Environmental Modeling creates comprehensive and multi-modal approaches to reduce transportation-related greenhouse gases and to mitigate the effects of global climate change on the transportation network.
- Continue to implement the environmental streamlining and stewardship requirements of SAFETEA-LU which resulted in more stringent timeframes for the environmental review portion of the project development process for metropolitan planning and the transit project review. Moreover, additional factors must be considered when determining whether use of a historic site or parkland is permitted in a transit project. These and other changes require that: (1) existing FTA/FHWA planning and environmental regulations be revised; (2) guidance be issued implementing the

changes; (3) training seminars be developed; (4) coordination be increased with EPA, Fish and Wildlife Service, and Corps of Engineers; and (5) outreach to the affected parties through conferences, website updates, and newsletters conducted.

Both the Research and University Research and the Formula and Bus Grants programs are linked to the FTA-level measures of reducing transit-related emissions. Funding from the Formula and Bus Grants program will be used to invest in clean fuel buses that reduce the amount of harmful particulates emitted into the atmosphere.

The results of these FTA-level measure achievements contribute to the DOT level outcomes of helping to protect and enhance communities by accomplishing the following:

- Funding clean fuel buses, such as hydrogen fuel cells and diesel hybrid electric engines to reduce air pollution emissions and increase the fuel efficiencies of public transportation vehicles.
- Developing information and provide easy internet accessibility to technical reports that help transit agencies make informed investment decisions on new vehicle purchases.
- Fostering increased market share of hybrid electric buses by promoting emission certification procedures for hybrid buses and provide guidance to transit agencies to obtain the full benefit of emissions reduction
- Addressing research need that will improve electric drive propulsion technology thereby reducing energy consumption and negative effects on the environment
- Providing funding for the environmental review process Oversight including technical support of the environmental reviews of proposed transit projects.
- Providing funding for environmental management for New Starts including strengthened environmental streamlining and stewardship.

Administrative Expenses - \$747 thousand

This is requested for administrative support to provide the necessary grants to state and local governments, enabling them to protect and enhance their communities and the environment.

FTA will promote transportation solutions that enhance communities and protect the natural and built environment. We will support use of innovative environmental practices by our grantees in the research, planning, design, construction and operation of public transportation systems.

SECURITY, PREPAREDNESS AND RESPONSE

Performance Goal: Assist transit agencies in developing emergency plans, conducting drills and providing security training

The request of \$47 million contributes to the DOT Security, Preparedness and Response strategic objective to balance transportation security requirements with the safety, mobility, and economic needs of the Nation and be prepared to respond to emergencies that affect the viability of the transportation sector. The key outcomes include all modes within DOT successfully completing steps that would prepare them for a rapid recovery of transportation from intentional harm and natural disasters.

FTA designed and delivered to the top 30 transit agencies an enhanced security program that prioritizes implementation of improvements that resulted in:

Enhanced Public Awareness: Ensuring that 100% of the 30 largest transit agencies:

- Develop protocols that specify the content and frequency of announcements based on threat scenarios and the Homeland Security threat levels.
- Address unattended baggage procedures in their public awareness messages.
- Post signage that informs the riding public of emergency evacuation procedures.

Emergency Preparedness: Ensuring that 100% of the 30 largest transit agencies:

- Update emergency management plans at least annually.
- Conduct tabletops annually; 90% of these agencies conduct regional, inter-agency drills annually.

FTA is updating its measure of whether the transit agencies have public awareness programs to guard against acts of intentional harm and natural disasters.

The resources requested to achieve this goal are:

FEDERAL TRANSIT ADMINISTRATION Appropriations, Obligation Limitations, & Exempt Obligations (\$000)

<u>Strategic and Performance Goals By Program Activities</u>	<u>FY 2006 Actual</u>	<u>FY 2007 Continuing Resolution</u>	<u>FY 2007 Pres. Budget</u>	<u>FY 2008 Request</u>
5. Security, Preparedness and Response				
Effective response to emergencies affecting transit				
1. Administrative Expenses	532	544	558	598
2. Formula and Bus Grants	38,730	38,751	40,649	44,210
3. Research and University Research Centers	<u>2,629</u>	<u>1,800</u>	<u>1,250</u>	<u>1,800</u>
Total – Security, Preparedness and Response	41,891	41,095	42,457	46,608
FTE (Direct funded associated with this segment)	4	4	4	4

General Overview-- The request of \$47 million in FY 2008 will provide funds to improve transit security and emergency preparedness. The FTA will use these funds to enhance and promote public transit security through oversight, technical assistance, and research in close partnership with the Department of Homeland Security.

PERFORMANCE ISSUE:

FTA's strategic security approach incorporates employee training, emergency preparedness and public awareness through a set of oversight, technical assistance and research programs.

Transit is a critical, high risk and high consequence national asset. Every day, transit provides mobility to millions of Americans in our most densely populated urban areas and serves the largest economic and financial centers in the nation. Transit moves more than 14 million passengers every workday. America's transit industry is composed of 640 transit operators serving urbanized areas, 1,215 transit operators serving rural areas, and 4,836 providers of special services to older adults and persons with disabilities. These systems range from very small bus-only systems in rural communities to very large multimodal systems in urban areas that may combine bus, light rail, subway, commuter rail, and ferry operations. FTA provides guidance and information to these agencies, helping to ensure preparedness in the case of an emergency.

Transit systems are designed to provide not only open, easy access to passengers, but also to operate under or alongside our largest business and government buildings, intermodal transportation centers, and many of our nation's most visible public icons. Public transportation has been a frequent target of terrorism, evidenced most recently by the London subway and bus bombings in July 2005. The London attacks, as well as those in Madrid and Tokyo, have exposed existing vulnerabilities and the need to make transit security a top priority.

FTA is limited by statute in its authority to regulate transit safety and security. For example, under 49 U.S.C. Sections 5307(d) and 5324(c)), FTA is prohibited from regulating the day-to-day "operation" of mass transit systems. FTA does not dictate the specific means or methods that mass transit operators use to ensure safety and security. However, FTA requires its large grant recipients to both establish comprehensive safety and security programs and demonstrate their technical capacity to carry out those programs.

FTA will continue to work closely with the Department of Homeland Security's (DHS) Transportation Security Administration (TSA), and Office of Grants and Training –G&T (formerly Office of State and Local Government Coordination and Preparedness – SLGCP) to apply their respective expertise and knowledge to the transit industry. This relationship, now formalized through the execution of the DOT/DHS Memorandum of Understanding's Public Transit Annex will enable FTA to leverage its expertise and resources to maximize effective transit security coordination.

ANTICIPATED FY 2007 ACCOMPLISHMENTS:

FTA recommends a systems approach for enhancing and promoting transit industry security. The Transportation Research Board's security report, "Deterrence, Protection and Preparation" recommends 'layered security systems' that are well integrated throughout transportation operations. Such security systems have integrated concentric features (e.g., fencing, security patrols, and closed circuit television), so a breach of any one layer will not defeat the entire system. Each layer provides backup for the others.

Fundamentally, security should be built into all aspects of transit systems, as new assets are designed and constructed and existing infrastructure is maintained and modernized. These concepts are advocated throughout FTA's comprehensive security program guidance. Given the age of most transit systems, transit operators are, to a large extent, playing "catch up" with respect to security. Indeed, security is in its 'program infancy,' just as safety was 10 to 15 years ago, before every agency dramatically increased its focus and resources to address transportation fatalities.

FTA has identified three strategic priorities with regard to security: training, planning, and public awareness. Transit employees will be trained to deter, detect, mitigate and respond to a variety of emergency scenarios. FTA will encourage local agencies to have emergency plans in place and routinely practice them. Finally, increased public awareness will ensure that passengers can identify suspicious or unusual behavior, communicate with transit officials, and exit safely in the event of an emergency.

Transit agencies across America have embraced FTA's guidance and recommended action items, resulting in strengthened security systems and enhanced emergency response plans. FTA's specific security program accomplishments include:

- Completing on-site security and emergency management technical assistance to the fifty largest U.S. transit systems by deploying multi-disciplinary teams, including experts on anti-terrorism, security, and transit operations. FTA's technical assistance teams identified gaps in the fifty transit agencies' security programs and provided specific products to address the gaps. The program will also develop a final report that includes "best practices" and "lessons learned" sections, to be distributed to all transit agencies.
- Updating the *Top 20 Security Action Items* for transit agencies, in partnership with TSA and G&T. Updated self-assessment guidance and links to resource references are included to assist transit agencies in assessing their overall security and emergency management state of readiness.
- Working with the FBI and DHS to enhance collaborative relationships between transit agencies and local FBI officials, including participation in the FBI's Joint Terrorism Task Force in their respective communities.
- Hurricanes Katrina and Rita have indicated the need for improved local, State, and Federal level emergency planning and response activities. The Department may be charged with additional responsibilities under the National Response Plan for evacuations of persons, including persons with disabilities; FTA has positioned itself to

support the Emergency Support Function One – Transportation, under the National Response Plan.

- Collaborating with DHS and APTA, to implement a program for the rapid deployment of vehicles, equipment, and personnel from cooperating transit agencies in the event of an emergency. In addition, FTA plans to conduct 5 sessions of the Counterterrorism Strategies & Terrorist Activity Recognition Training course.
- *Connecting Communities Public Transportation Emergency Preparedness Workshop*, an event hosted by FTA and DHS was held on February 5-6, 2007, at WMATA's Carmen Turner facility in Landover, MD.

Performance goal: FTA's FY 2007 security core accountability is to deliver its latest security course – chemical/bio protocols for operations control center employees – to the ten largest transit agencies.

FY 2008 PERFORMANCE BUDGET REQUEST:

Formula and Bus Grants - \$44.210 million

Recipients of Section 5307 formula funding are required to use at least one percent of the amount a grantee receives each fiscal year on "mass transportation security projects." Projects include increased lighting in or adjacent to a mass transportation system, increased camera surveillance of an area in or adjacent to that system, providing an emergency telephone line to law enforcement or security personnel, and any other project intended to increase the security and safety of an existing or planned public transportation system. In FY 2008, based on FTA's funding request for Formula Grants, over \$42 million will be used by grantees on projects that increase the security and safety of their transit systems, unless the grantee certifies and the Secretary of Transportation accepts that the expenditure for security projects is unnecessary. These funds are an integral portion of the Urbanized Area Formula Grants for safety and security capital projects.

With the passage of SAFETEA-LU, capital projects for security and crime prevention have been expanded to include: projects to refine and develop security and emergency response plans; to detect chemical and biological agents in public transportation, to conduct emergency response drills with public transportation agencies and local first response agencies; and security training for public transportation employees.

FTA is working with the transit industry to identify critical, high-risk assets and operations, and is developing a broad range of strategies to increase security. These strategies must become an integral part of daily transit operations and will include a special emphasis on training, as well as technical assistance, guidelines, best practices, and testing of available technologies for intrusion detection, surveillance, and chemical and biological substance detection.

FTA's "next generation" technical assistance to transit agencies will assist them in updating and enhancing their security system programs. The next generation security technical assistance program will be:

- comprehensive – by providing value to large, medium, and small transit operators;
- systematic – by building on existing security initiatives (such as the application of FTA's Top 20 Security Action Items List) and lessons learned, offering state-of-the-art industry guidance, and establishing/reinforcing consistent industry practices, protocols, plans, etc.;
- flexible – by tailoring the overall strategic level approach and delivery of products to fit the specific tactical level needs of individual transit agencies; and
- responsive – by aligning program resources in priority with relative risk levels.

FTA will continue to work closely with TSA and G&T to activate and fully implement security programs per the terms of the MOU Public Transit Annex. FTA will provide subject matter expertise to DHS, assessing transit industry security gaps and working with DHS to fill such gaps through oversight, technical assistance, and research.

Research and University Research Centers - \$1.800 million

With funds dedicated to research in FY 2008, FTA will:

- Continue to coordinate with DHS to develop guidance materials, training, and resources to provide a systematic approach to transit security throughout all its programs.
- Continue to provide a comprehensive training curriculum and collaborate with industry stakeholders to develop strategies to maximize the number of transit employees receiving security training, including advanced, job specific security training for transit police and front-line employees.
- Provide "Connecting Communities" regional emergency management forums at numerous locations throughout the country, bringing transit security officials together with other key regional security, law enforcement, and emergency management responders to share information, coordinate resources, and assess needs.

Administrative Expenses - \$598 thousand

This amount is requested for administrative support to assist transit agencies in developing enhanced public awareness programs, to provide stronger deterrence against terrorist acts and to further improve emergency preparedness efforts.

ORGANIZATIONAL EXCELLENCE
Performance Goal: Implement the President's Management Agenda

The request of \$26.090 million contributes to the DOT Organizational Excellence strategic objective and to the goal of implementing the President's Management Agenda.

This request would allow FTA to achieve a "green" rating on the President's Management Agenda scorecard for the five major government-wide initiatives: Strategic Management of Human Capital; Competitive Sourcing; Improved Financial Performance; Expanded Electronic Government; and Budget and Performance Integration.

The resources requested to achieve this goal are:

FEDERAL TRANSIT ADMINISTRATION
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

Strategic and Performance Goals By Program Activities	FY 2006 Actual	FY 2007 Continuing Resolution	FY 2007 Pres. Budget	FY 2008 Request
6. Organizational Excellence				
Achieved strategic management of human capital goals				
1. Administrative Expenses	2,952	2,883	3,082	3,317
FTE - Strategic Management of Human Capital	18	17	18	18
Achieved competitive sourcing goals				
1. Administrative Expenses	266	272	279	299
2. Research and University Research Centers	0	160	160	160
FTE - Competitive Sourcing	2	2	2	2
Achieved financial performance goals				
1. Administrative Expenses	5,922	5,896	6,252	6,605
2. Formula and Bus Grants	2,375	2,470	2,470	2,845
3. Research and University Research Centers	750	0	0	0
FTE - Improved Financial Performance	24	22	24	24
Achieved E-government goals				
1. Administrative Expenses	9,137	9,204	9,529	10,651
2. Formula and Bus Grants	225	250	250	300
3. Research and University Research Centers	0	494	494	270
FTE - Expanded Electronic Government	15	13	15	15
Achieved budget and performance integration goals				
1. Administrative Expenses	1,463	1,496	1,535	1,643
2. Research and University Research Centers	<u>200</u>	<u>0</u>	<u>0</u>	0
FTE - Budget and Performance Integration	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>
Total - Organizational Excellence	23,290	23,125	24,050	26,090
FTE (Direct funded associated with this segment)	70	65	70	70

General Overview-- The President's Management Agenda focuses on long-term management of the Federal workforce and fosters a citizen-centered, results-based government that is organized to be flexible, lean, and have the "freedom to manage" to make timely and informed decisions. Central to improving government performance is aggressive implementation of the President's Management Agenda. The Office of Management and Budget (OMB) has developed an Executive Branch Management Scorecard, which measures each agency's performance under five major government-wide initiatives: Strategic Management of Human Capital; Competitive Sourcing; Expanded Electronic Government; Improved Financial Performance; and Budget and Performance Integration. During FY 2005 additional initiatives were added, including R&D Investment Criteria, Eliminating Improper Payments, and Real Property Management. FTA requests \$26.090 million to implement the five government-wide initiatives and continue work towards developing a quality organization.

1. Strategic Management of Human Capital

PERFORMANCE ISSUE

FTA has taken positive steps to strategically manage its workforce. FTA's attrition rate (retirements and departures for other jobs) historically averages approximately 6 percent per year. However, in 2001, an internal analysis projected that by 2008, retirements alone could reach as high as 225 FTEs, or 40 percent of FTA's total workforce. Recognizing the potential for a wave of retirements and FTA's vulnerability of losing valuable expertise and institutional knowledge, FTA chose to address the situation by offering voluntary early retirements and buyouts during FY 2004 and during the first quarter of FY 2005. This has given FTA the flexibility to recruit the skill-mix needed to meet ongoing and future demands on the agency, and improve the impact of our programs and our focus on customers.

To help address these challenges, FTA made the number one goal to "attract and retain the best employees." Specific action items to address this goal include an aggressive recruitment strategy to: market FTA to prospective employees in the Federal Government and private sector; streamline the hiring process; and target new hires in the core occupations that have shortages. In the last two years, FTA hired 15 Presidential Management Fellows (PMF), 5 Career Residency Program Participants (a Department of Transportation Management Intern Program similar to the OPM PMF Program), and 2 Outstanding Scholars, for key occupations throughout the Agency. FTA has included a tuition loan repayment program in its budget as an incentive program to attract and retain highly skilled employees.

FTA estimates that approximately 30-35 percent of its current staffing resources are already provided by the private sector, primarily in the areas of IT support/application development and project management oversight (PMO contractors). It is also estimated that FTA expends approximately 35 FTEs annually on contract management oversight. Consequently, the accelerated growth in FTA program funding of more than 90 percent over the last decade as well as large increases in the number and complexity of capital projects has put a strain on contract management. FTA's FY 2006 Human Capital and Workforce Plans have identified the contract management function as a core competency gap.

FTA is committed to the President's vision of a citizen-centered, results-oriented government. By implementing the President's Management Agenda (PMA), FTA will improve its efficiency and effectiveness by enabling employees to develop and utilize their full potential; improving financial management systems; thinking creatively and innovatively in finding 21st century solutions to 21st century problems; efficiently managing programs for maximum performance; and by ensuring the proper use of the public funds entrusted to us.

Employee performance agreements are being aligned with the Department's Strategic Plan and make meaningful distinctions in levels of performance; superior performance is recognized and rewarded and action is taken to address poor performance, and competency gaps are identified and addressed through effective training and developmental opportunities, succession planning, eGov solutions, and knowledge management strategies.

ANTICIPATED FY 2007 ACCOMPLISHMENTS

- Performance Accountability -- FTA successfully implemented the second year of a pilot SES performance accountability system that held FTA senior executives jointly accountable for four core performance accountabilities. These accountabilities focus on key results that are important to its customers – grantees, transit riders, and taxpayers – and include standards for transit ridership growth; safety and security readiness; major project cost control; and grant processing efficiency.
- FTA expects to curtail hiring during FY 2007, under the continuing resolution full-year budget. FTA will have difficulty in reducing the workload gaps, and improving the timeliness and quality of service to our customers.
- In the last two years, FTA hired 15 Presidential Management Fellows (PMF), 5 Career Residency Program Participants (a Department of Transportation Management Intern Program similar to the OPM PMF Program), and 2 Outstanding Scholars, for key occupations throughout the Agency.
- FTA has included a tuition loan repayment program in its budget as an incentive program to attract and retain highly skilled employees.
- Continuous employee development via the Government Online Learning Center (GO LEARN) formerly, Transportation Virtual University (TVU). The Government Online Learning Center (<http://www.golearn.gov/>) has approximately 40 courses that are available, at no cost, to employee's government-wide. This technology offers quality training 24 hours a day, 7 days a week. Employees are able to add courses to their Individual Development Plan, and in some cases the courses are accredited upon completion and may be applied to a bachelor or masters degree at area colleges or universities, better enabling them to do their jobs. To date, 147 FTA employees have taken one or more courses.

FY 2008 PERFORMANCE REQUEST

Administrative Expenses - \$3.317 million

These funds will support 18 full-time equivalents (FTE) and a proportionate amount of infrastructure and supplies to sustain them. Of the total, \$335,279 in training and employee development funds will support this performance goal by improving the skills of the workforce. The establishment of a tuition loan payback program is proposed as an education benefit to new employees. This request will also fund additional costs associated with the Honors Attorney Program.

2. Competitive Sourcing

PERFORMANCE ISSUE

FTA has a very limited number of positions attractive to competition. FTA plans to participate in Department-wide “cross functional” competitions. FTA is committed to simplifying and improving the procedures for evaluating public and private sources to better publicize commercial activities subject to competition, and ensure FTA gives the proper attention to the promotion of competition. Competition provides a focus on continuous improvement and can remove roadblocks to greater efficiency. A-76 (which guides the process for competitive sourcing) was published in May 2003; this FTA program supports surveys regarding similar work currently being done for other government agencies by private contractors or through reimbursable agreements and uses that information to develop an estimate of the cost that would be incurred if this type of work were performed under a contract. The revised Circular included a “streamlined” competitive sourcing process and modified a number of agency requirements.

ANTICIPATED FY 2007 ACCOMPLISHMENTS

- In FY 2005, successfully conducted streamlined competitive sourcing process for the Office of Procurement, the Office of Accounting and the Office of Human Resources. Studies undertaken determined that it was more cost-effective to retain procurement and accounting activities in-house rather than by contract. In each case, the in-house employees won the competition. The completed competitions were major contributors to the Department Getting to Green.
- In addition, a feasibility study of Information Technology services was completed.
- FTA began the process of acquiring contractor assistance to develop options, provide expertise, and develop competitive sourcing strategies regarding direct conversions and competitions/cost comparisons.
- FTA anticipates supporting and participating with the Department in a pilot that links Human Capital and competitive sourcing.

- FTA is participating on the Department's Competitive Sourcing Executive Steering Committee which was established to review Department-wide cross-functional areas for potential competitive sourcing study.

FY 2008 PERFORMANCE REQUEST

Research and University Research Centers - \$160 thousand

FTA plans to achieve innovation, efficiency and greater effectiveness through work force planning and competition between the public and private sectors. This FTA program supports surveys regarding similar work currently being done for other government agencies by private contractors or through reimbursable agreements and uses that information to develop an estimate of the cost that would be incurred if this type of work were performed under a contract.

Administrative Expenses - \$299 thousand

This request funds administrative expenses to support the competitive sourcing performance goal.

- FTA conducted additional streamlined competitions to compare the cost of performing these services using government employees with the cost being charged to other Federal agencies that contract with private sector companies for comparable services.

3. Improved Financial Performance

PERFORMANCE ISSUE

A clean financial audit is a basic prescription for any well-managed organization. Without accurate and timely financial information, it is not possible to accomplish the President's Management Agenda of securing the best performance and highest measure of accountability for the American public. Good financial stewardship, excellent and efficient procurement and acquisitions systems, and improved financial performance are cornerstones of excellence in business and government.

ANTICIPATED FY 2007 ACCOMPLISHMENTS

In FY 2007, FTA plans to continue to address any material weaknesses cited by the auditors at the end of FY 2006. FTA will build upon the following FY 2004 accomplishments.

Clean Audit Opinion. FTA received a clean audit opinion on its FY 2004 financial statements. A clean financial audit is a basic prescription for any well-managed agency. Without accurate and timely financial information, it is not possible to accomplish the President's Management Agenda of securing the best performance and highest measure of accountability for the American public.

Travel Card Delinquency. The travel card delinquency rate within FTA continues to decline due to good management practices. Part of the effort to reduce delinquencies can be attributed to having issued a travel card order that establishes a series of controls that serve as tools for managers in overseeing the travel card program effectively.

Computer Security. FTA will evaluate the need to revise/update policies considering reviews, concurrences, and approvals in TEAM. FTA will issue guidance and procedures. FTA's goal is to reach consistency across Regional Offices for application/documentation of requirements. FTA will: 1) revise guidelines to be issued by OST's Security Office for background investigations of contractors; 2) complete the upgrade of the ECHO front-end system to a web-enabled system; 3) migrate the application to the DOTS platform, which supports Oracle DBMS and provides a higher level of security; and 4) implement adequate edits in ECHO or consider retiring the system and replace it with a more secure platform and update the systems security plan to address this issue.

Certification and Accreditation (C&A). FTA successfully completed the Certification and Accreditation (C&A) process for the ECHO, DOTS, TEAM, and NTD, working with the FY 2006 information security audit. This is a major accomplishment for FTA as the NTD is a mission-critical system in FTA's information technology (IT) enterprise architecture and completing the C&A before June 30, 2006, will help DOT get to "green" on the President's Management Agenda. The ECHO, DOTS, TEAM, and NTD are now re-certified for the next three years and comply with all Federal IT system requirements promulgated by the Office of Management and Budget (OMB) and DOT's Chief Information Office (CIO). Meeting these requirements included conducting a system risk assessment, preparing a security plan, a contingency plan, a disaster recovery plan, a business impact analysis, a document of life-cycle requirements, and stress tests for various systems.

FTA recertified FTA's grants management system (i.e., TEAM), oversaw systems support for budget and payroll data requests, and managed the systems support for ECHO. FTA's ECHO system processor module used to make grant payments has been upgraded to an Oracle environment and migrated to our DOTS file server effective June 19, 2006.

Government Performance and Results Act (GPRA). FTA completed an action plan to implement managerial cost accounting and is in the process of hiring a financial consultant to develop and implementing strategy. FTA has also developed a monthly management report with performance and financial information to assist managers in making decisions.

Implement FMFIA requirements. The FTA Federal Managers Financial Integrity Act (FMFIA) Program was developed in FY 2005. The FTA FMFIA Program establishes formal procedures to identify, document, monitor, and assess the internal controls across the agency. Under the FTA FMFIA Program, major processes were categorized into sixteen assessable units. Assessable unit, a term used by the FTA FMFIA Program, refers to a major functional area within FTA. Below is a listing of FTA's assessable units including: procurement, Budget Formulation, Budget Execution, Cash Management, Cost Management, Financial Management Systems, General Ledger Management, Payroll Management, Human Resource

Management, Management Information Systems, Payables Management, Receivables Management, Reporting Management, Travel Management, Grants Programs and Grants Oversight.

Financial Oversight. Evaluate the need to revise/update policies considering reviews, concurrences, and approvals in TEAM. Issue initial guidance and procedures. FTA's goal is to reach consistency across Regional Offices for application/documentation of requirements.

Full Implementation of Laws and Regulations. FTA will continue steps to implement full cost accounting with the assistance of contract experts in the area of cost accounting. FTA has hired a contractor to ascertain a suitable method of cost accounting and the best way to implement the chosen method, recommend software changes to integrate with current grant system (TEAM) and Delphi departmental accounting system, conduct a pilot project to test the methodology and approach and fully implement managerial cost accounting agency-wide.

Reconciling Intragovernmental Balances/Eliminations. FTA will take aggressive action (utilizing the Reimbursable Agreement portal in the DELPHI accounting system) to track and reconcile DOT RAs and place more emphasis on confirming receiver RA data when applicable. Follow up with other agencies and OST's Office of Financial Management to ensure discrepancies are resolved. FTA will correct historical transactions, which contain incorrect trading partner codes.

Single Audit Act. Finalize and distribute policies and procedures which 1) identify grantees with grant expenditures greater than \$500,000; 2) follow up with delinquent grantees who have not submitted Single Audit reports as required; 3) track Single Audit report receipt date from the Federal Clearinghouse/Grantees; 4) ensure finding memos are issued timely after reports are received; 5) ensure management decisions are issued within the timeframe required by the Act, which is 6 months after the receipts of the audit reports.

Managerial Cost Accounting. FTA implemented Labor Distribution Reporting (LDR) agency-wide in February 2006. To date, up to 98% of FTA employees are reporting LDR every pay period. Obtaining labor-hours by project tasks will enable FTA management to quantify the amount of resources committed to projects and programs and determine the relative utilization to help in assigning workload, making staffing decisions and shifting program responsibilities. FTA fully implemented MCA system during FY 2006. Managerial cost accounting practices are recognized as a valuable tool in aiding Federal agencies' efforts to demonstrate accountability in financial accounting, budgeting (allocating resources), and managing programs.

Malcolm Baldrige National Quality Award.

The Baldrige criteria are a set of criteria for evaluating the overall health of an organization. Thousands of organizations, both large and small, use the Baldrige criteria as a guideline for improvement. Most of these organizations use the criteria to improve performance. The real benefits are: 1) more satisfied customers, 2) Happier employees, 3) increased sales, profits, and market share, and 4) long-term survival. In FY 2007, FTA has implemented appropriate

initiatives to enhance FTA's performance, as guided by the criteria for the Malcolm Baldrige Award. There are seven categories in the Baldrige criteria these include: 1) Leadership, 2) Strategic Planning, 3) Customer and Market Focus, 4) Information and Analysis, 5) Human Resource Focus, 6) Process Management, and 7) Business Results. FTA plans to implement appropriate initiatives to enhance FTA's performance, as guided by these criteria.

FY 2008 PERFORMANCE REQUEST

Formula and Bus Grants - \$2.845 million

These funds will support financial oversight and procurement oversight projects funded from the oversight takedown from formula grant activities.

- Procurement Oversight safeguards the Federal investment by helping to provide oversight of grantees' procurement systems. The procurement system reviews determine if grantees' procurement systems meet the requirements of the Common Rule, and advise FTA about the effectiveness of each grantee's procurement system.
- Contract audits and closeouts safeguard the Federal investment by conducting pre-award, incurred cost, post-award and contract close-out audits, and by closing out expired contracts in accordance with the Federal Acquisition Regulations. Technical assistance is provided to FTA grantees in order to correct and reduce the number of deficiencies that are specifically identified through the conduct of oversight reviews, such as procurement system reviews and triennial reviews. The Best Practices Procurement Manual provides procurement guidance to FTA grantees to help ensure compliance with FTA procurement requirements.

Supplemental Departmental Performance Measures:

For major Federally-funded infrastructure projects, the percentage that meet schedule milestones established in project or contract agreements, or miss them by less than 10%.

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Target:	N/A	95	95	95	95	95	95
Actual (DOT):	N/A	85	88	95	**		
Actual (FTA):	N/A	75	100	100	100		

**Data not yet available.

For major Federally-funded infrastructure projects, the percentage that meet cost estimates established in project or contract agreements, or miss them by less than 10%.

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Target:	N/A	95	95	95	95	95	95
Actual (DOT):	N/A	85	74	79	**		
Actual (FTA):	N/A	75	100	100	100		

**Data not yet available.

FTA has four projects classified as mega projects – New Starts projects active prior to FY 2007 with Full Funding Grant Agreements (FFGA) that exceed \$1 billion. All four projects are within 10% of the cost estimate of their current FFGA agreements. FTA is currently evaluating its project classification and evaluation process and, consequently, has not added any new projects to the list. The four existing mega projects are: New Jersey Hudson-Bergen – MOS-2 Light Rail; San Juan Tren Urbano Heavy Rail; Denver Southeast Corridor Project; and Seattle Central Link Light Rail. Based on current funding requests, funding for the San Juan Tren Urbano FFGA will be completed with the funding expected in the FY 2007 appropriations.

DOT did not meet its target to achieve 100 percent of schedule milestones for major federally funded transportation infrastructure projects, or miss those milestones by less than 10 percent. FTA did meet its target to achieve 100 percent of cost estimates for major federally funded transportation infrastructure projects, or miss them by less than 10 percent.

Administrative Expenses - \$6.605 million

A total of \$3.586 million will provide for 24 FTE and appropriate associated costs. Additionally, \$3.019 million will support major capital investments in FTA's key financial systems, including its Electronic Clearing-House Operations (ECHO) and Delphi accounting systems.

- FTA will maintain a “green” on the OST scorecard for Improved Financial Performance meeting Office of Management and Budget (OMB) mandated requirements to implement managerial cost accounting.
- Prepare financial statements that conform to the Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards; and Managerial Cost Accounting Standards and Concepts for the Federal Government
- Satisfy all Federal accounting and auditing standards required to achieve unqualified audit opinion.
- Prepare statements and reports that align FTA program and internal costs with specific FTA business processes and goals.
- Provide management with required cost data and information. Examples include the ability to track planned versus actual costs, and monitor performance.
- FTA's Financial Systems will meet Federal financial management system requirements and applicable Federal accounting and transaction standards.
- FTA will support a fully implemented managerial cost accounting system that where budgetary costs are charged to mission accounts and activities.

4. Expanded Electronic Government

The Federal government's E-Government initiatives serve citizens, businesses, and federal employees by delivering high quality services more efficiently at a lower price. Instead of expensive “stove-piped” operations, agencies work together to develop common solutions which achieve mission requirements at reduced cost, thereby making resources available for higher priority needs. Thus, there are no agency activities which will not be implemented or

partially implemented as a result of the transfers or reimbursements to the E-Government initiatives. This Administration's goal is to champion citizen-centered electronic government that will result in a major improvement in the Federal government's value to its citizens. The E-Government Initiatives funded by FTA under the President's Management Agenda (PMA) are described below and include subsequent benefits.

Government to Business Portfolio

- *Business Gateway (Managing Partner SBA)*
FTA requires grantees seeking different funding sources, i.e., bus, fixed guideway construction, formula grants and planning, to comply with the specific requirements and regulations governing the program resources. The Business.gov website can help these transit operators to locate compliance information and to find the appropriate forms to file. Business.gov can provide an excellent avenue for the FTA to promote their grant programs for metropolitan and statewide planning; and urban, and rural capital resources. Business.gov can potentially be used for access to FTA research on best practices as well as available training for professionals. Business.gov can highlight FTA's plain language guidance for legal issues.
- *E-Rulemaking (Managing Partner EPA)*
The Office of the Secretary currently operates the Docket Management System (DMS) to electronically manage the regulatory and adjudication actions for all of the DOT sub-agencies. DMS is centrally managed by DMS staff, who in turn can forward questions to the appropriate agency, if issues arise. Once DOT implements the Federal Dockets Management System (FDMS), the subject matter experts will be much closer to the management of their individual dockets and their content. This should expedite the process and ensure the proper information is included or protected based on their unique knowledge of the issue supported.

FTA can take advantage of FDMS to manage its regulatory and associated actions. FTA can have varying amounts of regulatory and notice activities on average, but ensuring our proposals and other actions are widely available and the supporting documentation is accessible to the public and industry segments is an essential part of achieving our mission and FDMS can be an instrumental tool to serve this purpose.

Government to Government Portfolio

- *Geospatial One-Stop (GOS)(Managing Partner DOL)*
DOT is a major Federal producer/distributor and metadata contributor to Geospatial One-Stop (GOS). The Office of the Secretary enables other Federal agencies to both avoid costs and realize cost savings by making DOT geospatial data available through the GOS Portal. In addition, DOT helps to enhance overall Federal Spatial Readiness by making its large repository of current and historical data discoverable and accessible through the GOS Portal.

FTA is able to realize cost savings by not having to handle (i.e., process) individual requests for transit related data in an ad-hoc fashion. GeoData.gov provides one-stop access to transportation geospatial data depicting the transportation system in the

United States, and is provided by DOT/ Research and Innovative Technology Administration's (RITA's) Mapping Center.

- *Grants.gov (Managing Partner HHS)*

The Grants.gov Initiative benefits FTA by providing a single location to publish grant (funding) opportunities and application packages, as well as through providing a single site for the grants community to apply for grants using common forms, processes and systems. FTA derives its largest source of benefits from Grants.gov by not having to build a DOT system for collecting electronic grant applications. The FTA grants.gov portal was placed into production operation in 2006, and has successfully streamlined the processing of over 160 applications, applying to 12 transit funding programs, and these applications have successfully been integrated into the Agency's grantmaking and project management system, TEAM.

Internal Efficiency and Effectiveness Portfolio

- *E-Payroll (Managing Partner OPM)*

DOT/ FTA is a customer of the National Business Center (NBC) for payroll services. FTA migrated to the Department's National Business Center because DOT decommissioned its legacy payroll systems, including the Consolidated Uniform Payroll System (CUPS), Integrated Personnel and Payroll System (IPPS), Consolidated Personnel Management Information System (CPMIS), and the HR and Payroll Data Repository Information System (DARIS) functions were taken over by NBC. As the NBC customer base continues to grow, FTA should realize the benefits of economies of scale in terms of a lower cost of payroll services per employee.

- *Integrated Acquisition Environment (IAE)(Managing Partner GSA)*

Through adoption of the tools and services provided by the IAE, FTA improves its ability to make informed and efficient purchasing decisions. IAE provides FTA purchasing officials access to databases of critical information from other agencies on vendor performance, facilitates the posting of procurement opportunities, the validation of vendors and the reporting of contract award information.

Cross-Cutting Portfolio

- *E-Authentication (Managing Partner GSA)*

The initiative benefits DOT/ FTA by providing E-Authentication expertise, guidance, and documentation, including project planning and reporting templates. The E-Authentication Federation allows DOT/ FTA to use identity credentials issued and managed by organizations within and outside the Federal Government, thereby relieving DOT/ FTA of much of the cost of providing its own identity management solutions.

Lines of Business

- *Financial Management Line of Business (FM LoB)(Managing Partners DOE and DOL)*

Transportation's Enterprise Service Center (ESC) is one of four (4) current Federal Financial Management Centers of Excellence (COE). It services some small agencies and all of the DOT agencies including the FTA. The initiative benefits DOT and subsequently FTA by enabling us to leverage our information Technology (IT) and financial processing expertise to provide financial management (FM) hosting and support services to additional Federal agencies. As the ESC's customer base continues to grow, FTA should realize the benefits of economies of scale in terms of a lower cost of processing per financial transaction.

- *Grants Management Line of Business (GM LoB)(Managing Partners HHS and NSF)*
This initiative benefits DOT and specifically the FTA by improving the delivery of services to grant recipients, improving decision-making and decreasing costs associated with building and maintaining Grants Management IT systems.
- *Human Resources Management Line of Business (HRM LoB)(Managing Partner OPM)*
Through DOT's adoption of an approved service provider, FTA can achieve the benefits of "best-in-class" Human Resources (HR) solutions without the costs of developing and maintaining its own HR systems. As DOT and subsequently FTA migrate to centrally managed HR systems, FTA should realize the benefits of economies of scale in terms of a lower cost of providing HR services per employee.

In addition, there are four(4) new Lines of Business recently announced under the E-Government Initiatives of the President's Management Agenda (PMA): 1) Case Management; 2) Budget Formulation and Execution; 3) Information Technology (IT) Security; and 4) Information Technology (IT) Infrastructure.

PERFORMANCE ISSUE

FTA recognizes that a sound technical foundation needs to be in place before E-Gov services can be offered reliably and effectively, both internally and externally to the public. We have built an infrastructure that supports an end-user's experience of reliable, electronic access to information and services within FTA and DOT, as well as external public and private resources accessed through the internet.

In FY 2005, FTA strengthened computer security and investment controls through the implementation of an additional tracking application for grantee oversight and the relocation of the disaster recovery site to Kansas City, MO. The Department-wide IT consolidation scheduled for FY 2006 will further impact FTA's business controls and processes.

FTA continues to participate in the Departmental initiative to consolidate grant systems within the Department. The approach currently under consideration is being revised to reduce Departmental systems from eight to three in an effort to comply with legislative requirements of the SAFETEA-LU reauthorization. This activity is in support of the federal Grants.gov initiative to make identifying and applying for federal grants much easier for the public. The Grants.gov Initiative benefits FTA by providing a single location to publish grant

(funding) opportunities and application packages, as well as through providing a single site for the grants community to apply for grants using common forms, processes and systems. DOT derives its largest source of benefits from Grants.gov by not building a system for collecting electronic grant applications.

FTA is a customer of the National Business Center (NBC) for payroll services (E-Payroll). DOT will benefit from having consolidated its payroll processing functions and will be sharing in the benefits of the cross-agency Payroll Provider partnerships. DOT is decommissioning its legacy payroll systems, including the Consolidated Uniform Payroll System (CUPS), Integrated Personnel and Payroll System (IPPS), Consolidated Personnel Management Information System (CPMIS), and the HR and Payroll Data Repository Information System (DARIS) as these functions are taken over by NBC.

ANTICIPATED FY 2007 ACCOMPLISHMENTS

- FTA procured a “ready site” for COOP in the event the DOT headquarters or a regional site is impacted or rendered uninhabitable for any significant amount of time, and procured hardware to support current COOP information technology needs.
- Received a “green” progress rating from the Department for the TEAM Electronic Grants system.
- As of September 30, 2006, the average number of days to complete a grant processing was 28 days, an improvement over our goal of 36 days.
- Complied with the recommendations of the Office of Inspector General (OIG) as the result of the audit of the Computer Security Controls of the Financial Management System. The objective was to determine whether computer security controls are adequate to ensure the operational integrity and service continuity of the FTA computer system. FTA implemented password expiration, which automatically suspends user access accounts after three unsuccessful password attempts. Worked to ensure proper clearances for all contractors by including background check requirements in the Statement of Work.
- Transportation Electronic Award and Management (TEAM) system modifications, additional codes and new procedures required by SAFETEA-LU. In addition, a module to track earmarks was added to TEAM to aid in project management and tracking of over 750 projects and 900 earmarked projects, which integrates with the departmental Grants Notification System (GNS) used for Congressional release.
- Completed Phase 1 of a User Recertification, to successfully verify and certify over 5000 Recipient Users; and launched the Grants.gov Application portal which fully integrates funding opportunity publication and application with TEAM for discretionary grants program processing, which represents over 28 million in potential awards.

FY 2008 PERFORMANCE REQUEST

Formula and Bus Grants - \$300 thousand

FAST Track New Starts Management System – Fast Track is an information management tool that will provide up-to-date information on New Starts projects being managed under the Project Management Oversight Program. Such information includes; project scope, status, schedule, costs estimates and appropriations at different stages of the projects' history. Full system development was completed in FY 2003. Updates and enhancements are planned for FY 2007.

Research and University Research Centers - \$270 thousand

Requested projects include the following:

Centralize Federal grant making. The Department of Health and Human Services (HHS) is the Federal government's Program Management Office (PMO) for the President's Electronic Grants (E-Grants) initiative. All grant-originating Federal agencies are required to participate in this initiative. The FTA is a lead agency within the U.S. DOT's participation in this presidential initiative.

FY 2008 PERFORMANCE REQUEST

- Increase the number of telecommuters by supplying portable technology equipment at the desktop level. Since these devices will be configured within agency standards, security in FTA's telecommuting program is enhanced.
- Convert remaining paper processes to electronic program interfaces to other financial and reporting systems; develop the WEB-enabled links to secure exchange solicitation documentation, past performance data, cost estimates / prices / and technical proposals with contractors and evaluation data with FTA program personnel. The PRISM system will also be used to track and record purchase card transactions and enable us to acquire goods and services more quickly and efficiently, thereby shortening the acquisition cycle and costs to internal and external customers.
- Enhance the National Transit Database system to review for accuracy and consistency and computerization of the public mass transportation financial and operating data submitted by approximately 640 transit agencies. Four different annual reports are generated from these data, including preparing reports to be disseminated on the Internet and preparing for transit operator data input via the Internet.
- Provide for the certification and accreditation of the General Support System and increase participation in the Capital Planning Investment Control process. We will also provide for role-based training for system owners and administrators.

- Expand the window of operation of the Information Technology Customer Support Center (IT helpdesk) to provide Tier 1 (telephonic) support for those sites that operate in different time zones allowing same level of service for core business hours in each local time zone.
- Use the Executive Information System to provide dynamic information and mission deliverable results pertaining to financial and program areas, which are required by the Office of Management and Budget, the Government Accountability Office, and Congress.

Administrative Expenses - \$10.651 million

A total of \$2.241 million will provide for 15 FTE and appropriate support costs, and \$8.410 million provides information technology and E-government services:

General Support Systems - FTA is a leader in DOT in improving technology by streamlining its business processes and providing citizen-centered services to our customers. This budget supports the needs of FTA employees and its customers, and ensures all activities support a business need and result in measurable improvements. The Office of Information Technology manages FTA's General Support Systems. These funds support telecommunications, contract services such as the helpdesk, maintenance and repair of equipment, software and hardware purchases for the agency's central headquarters, the 10 regional offices and for the TEAM system. FTA's investment in technology enables employees to make timely, accurate decisions and to provide the best possible internal and external customer service in the most efficient and economical manner.

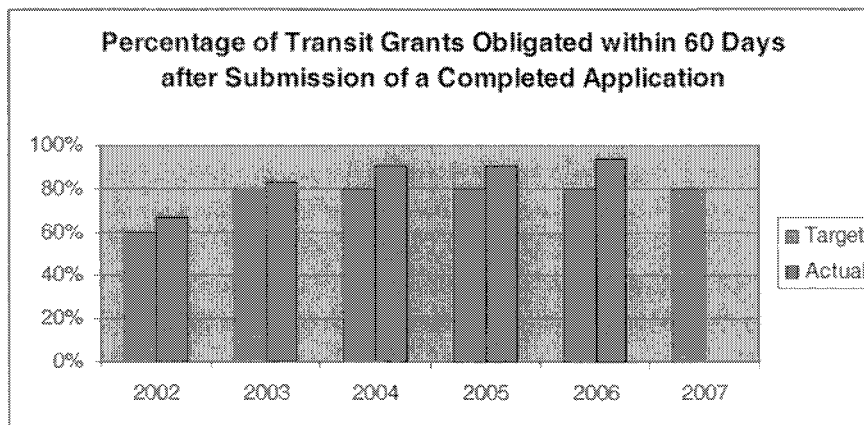
In FY 2007, additional information technology costs are associated with the consolidation of desktop maintenance and purchasing services in anticipation of the Department's relocation to its new headquarters facility in FY 2007.

Transportation Electronic Award and Management system (TEAM) - Higher FTA program funding and the number of new programs have increased the workload and number of awards being processed through TEAM. An increase in workload also includes an increase in the number of active users (1,000 in FY 1999 to an estimated over 7,000 in FY 2008). The user base is growing by more the 900 new users per year. In FY 2006, FTA's grant projects were estimated at 2,546 with obligations of over \$11 billion. FTA projects the amount of information that will be stored online will also increase because the business process has transitioned from paper to electronic awards. TEAM supports the application, review, award, management, reporting, and closeout of FTA funds through all funding programs, and is the system of record for FTA funds, and the customers and projects to which they are awarded. It was designed to support many of the processes outlined in the President's e-Gov initiative for grantmaking: Apply, Review, Award, Report, Oversight, and Closeout, and additionally provides FTA budget tracking support for funding programs, interfaces with FTA accounting (Delphi) and other systems that manage details within the grants line of business (OTRAK, GNS), and aligns seamlessly with the grants.gov Find and Apply processes.

FTA can make on-line project or grant budget revisions, perform financial status reporting, and develop milestones for tracking efficiency for grantees and FTA staff. The TEAM system uses graphical interface technology, providing point-and-click “Smart” selections that aid the grant recipients with their business process for submitting applications and managing their grants. Efforts continue to improve our business processes. The “Program Delivery Task Force” routinely examines TEAM processing and data integrity. The task force is committed to an overall goal to increase the percentage of grants obligated within 60 days, thus accelerating our commitment to provide transit grantees with quality based, timely service in processing grant applications.

Performance Measure: Percent of Transit Grants Obligated within 60 Days.

Percentage of Transit Grants Obligated within 60 Days after Submission of a Completed Application						
	2002	2003	2004	2005	2006	2007
Target	60%	80%	80%	80%	80%	80%
Actual	67%	83%	91%	91%	94%	



As of September 30, 2006, FTA obligated 94 percent of the completed grant applications within 60 days or less.

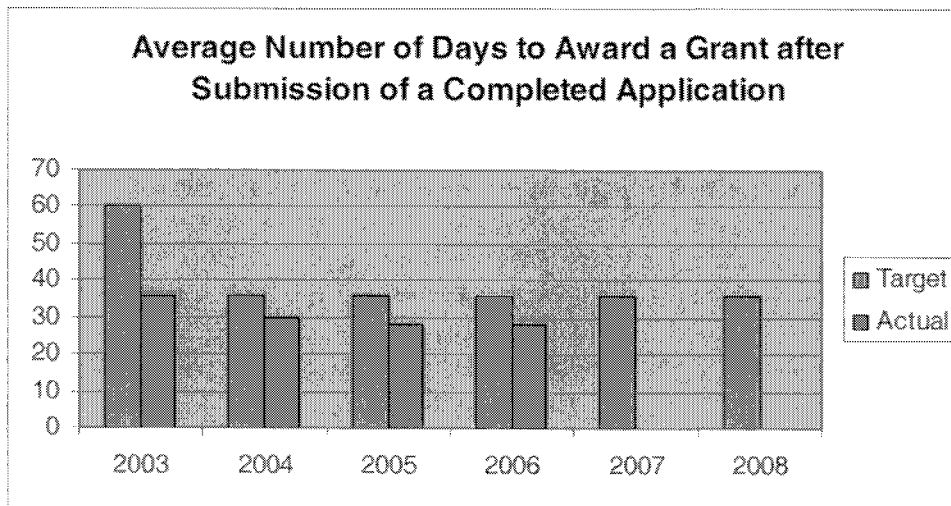
FTA accomplished several key activities essential to improve processing time including improvements to the Transportation Electronic Award Management (TEAM) system used to make grants; an expedited notification of certification by the Department of Labor; and faster startup of the grant process at the beginning of the fiscal year. In addition, in FY 2004 FTA worked with the Department of Labor. A procedure was developed for certifying grants in advance for the scope of the full funding anticipated in FY 2004 rather than certifying each grant amendment adding incremental funding. FTA also made improvements to the Congressional release procedures and has moved from quarterly to monthly progress reports. Detailed monthly grant processing progress reports provide management tools for the Regional Administrators, who made this goal a top priority.

In FY 2006 FTA introduced a new performance measure for the efficiency of grant processing. The new performance measure is the average number of days it takes to complete grant processing after submission of a completed grant application. For FY 2006, the target was 36 days. Historical data for the new measure has also documented the improvements in the timeliness of grant processing that has resulted from the initiatives that have focused on improving customer service. The amount of time to process grants was reduced from an average of 67 days in 2001 to just 28 days in 2006. FTA accomplished several key activities to improve grant processing time, including:

- Implemented the electronic Grants Notification System for grants that are over \$1 million and processed for release to Congress by the Office of the Secretary.
- Opened the Transportation Electronic Award and Management (TEAM) system for grant obligation earlier in the fiscal year as a result of monthly reconciliation of TEAM data during FY 2005.
- Worked with the Department of Labor (DOL) to develop a streamlined procedure for certifying grants in each grant amendment adding incremental funding.
- Expedited notification of certification by the DOL.
- Resolved mid-year problems with electronic notification to DOL resulting from new computer security firewall protections.

Performance Measure: Average number of days to award a FTA grant after submission of a completed application

Average Number of Days to Award a Grant after Submission of a Completed Application						
	2003	2004	2005	2006	2007	2008
Target	60	36	36	36	36	36
Actual	36	30	28	28		



National Transit Database (NTD) - These funds are requested as part of the Mobility goal, however, the NTD is an important capital asset reported in Capital Assets Plan and accompanying Exhibit 300s. The NTD system, a database of statistics for the transit industry, is congressionally mandated under 49 U.S.C. 5335(a)(1)(2). The NTD provides for the national collection and dissemination of a uniform system of transit system financial accounts and operating data. As set forth in legislative formulas, these data are used in the national allocation of FTA formula funding. Adequate funding is critical given the implementation of changes in reporting requirements made as a result of the redesign of the NTD and the introduction of two new reporting modules (asset condition and rural transit). Additional changes will be required to implement FTA's proposed performance incentive program for grantees.

5. Budget and Performance Integration

Improvements in the management of human capital, competitive sourcing, improved financial performance, and E-government will matter little if they are not linked to better results. Everyone agrees that scarce Federal resources should be allocated to programs and managers that deliver results. To this end, Congress enacted the Government Performance and Results Act (GPRA) in 1993, to get the Federal government to focus Federal programs on performance. The President's Management Agenda ensures that agencies make acceptable progress in moving toward the use of performance information of program management.

PERFORMANCE ISSUE

This budget submission ties the budget to performance measures, as required by GPRA. FTA's FY 2008 budget reflects the strategic goals adopted by the Department, and FTA has updated its performance goals and indicators. FTA's direct customers are its grants recipients, transit operators and states. In broader terms the customers for transit, and for FTA's programs, are transit users, highway users and the American public at large. Users benefit through access and mobility, reduced highway congestion, cost savings over auto ownership, job creation, the stimulation of economic development, improvement of air and noise quality, reduced motor vehicle injuries and deaths, more efficient land use planning, reduction of energy consumption, and an overall higher quality of life—all of which are priorities or concerns of the Department and of the Administration. These benefits to the American public form the basis for public support for transit and tie FTA's FY 2008 budget request to its strategic goals.

FTA has established a Business Plan to improve transportation for America's communities. The business plan goals include: 1) attract and retain the best people in the Federal Transit Administration; 2) to deliver products and services that are valued by our customer; 3) to establish effective business processes and leverage technology; 4) to build strong partnerships with key stakeholders; and 5) to position public transportation as the mode of choice in America.

ANTICIPATED FY 2007 ACCOMPLISHMENTS

- Conduct a review of current FTA performance measures and recommended updates or deletion.
- All SES executives held accountable for joint core accountabilities related to the Department's GPRA goals, the President's Agenda and FTA's strategic plan.
- FTA completed an assessment of its Formula Grant program using the Office of Management and Budget's Program Assessment Rating Tool (PART). FTA received a PART score of 92 (out of 100), and was completed as part of the FY 2006 Budget. The results of the PART demonstrate that the Formula Grant program is effective in increasing ridership and improving the condition of transit assets and accessibility to public transportation for physically challenged individuals.
- Full cost accounting implemented during 2006 will provide FTA management with information about the full and relevant costs of activities, goods, and services, thereby enabling managers throughout the agency to make informed decisions about which activities to pursue and which to eliminate.
- Develop an integrated budgeting, performance and accounting information system at the program level that will provide timely feedback for management and can be uploaded and consolidated at the agency and government level.
- Measure performance based on an assessment of the expected outcomes relative to what is actually being achieved.
- Develop control over resources used and accountability for results by programs to aid program managers this is consistent with requirements of the human capital initiative, which increases staff responsibility for service delivery and links rewards to performance.

FY 2008 PERFORMANCE REQUEST

Administrative Expenses – \$1.643 million

This request includes associated administrative costs for 11 FTE in support this performance goal. FTA will continue support in the following areas:

- Accountability agreements are in place between senior DOT leadership and the Secretary. FTA will continue to schedule periodic Executive Management Team meetings to focus on progress in accessing program effectiveness and performance.
- Maintain "green" on the OMB scorecard for Budget and Performance Integration.

- Continued support for an integrated budgeting, performance, and accounting information system at the program level that will provide timely feedback for management and can be uploaded and consolidated at the agency and government level.
- Demonstrate performance based on an assessment of the expected outcomes relative to what is actually being achieved.
- Continue control over resources used and accountability for results by programs to aid program managers this is consistent with requirements of the human capital initiative, which increases staff responsibility for service delivery and links rewards to performance.

6. R&D Investment Criteria

PERFORMANCE ISSUE

FTA has incorporated the Administration's R&D investment criteria into the budget process. The criteria provide broad guidelines for planning and managing all levels of Federal RD&T. Each of the criteria has both prospective and retrospective elements:

- *Relevance*: Programs must have complete plans, with clear goals and priorities; must articulate their potential public benefits; and must be relevant to national and customer needs. Agencies must assess relevance periodically through both prospective and retrospective independent review.
- *Quality*: Programs must use clearly stated, defensible methods for awarding funding; those allocating funds through means other than a competitive, merit-based process must justify funding methods and document how quality is maintained. Agencies must assess the quality of research using retrospective reviews by technical experts.
- *Performance*: Programs must maintain long-term objectives—with annual measures and targets—and define appropriate outputs, outcomes, schedules, and decision points. Agencies should express program results in terms of public benefits. Performance must be retrospectively documented annually.
- The R&D investment criteria have three aims: (1) improve program management; (2) inform funding decisions; and (3) increase public understanding of the benefits of Federal research. As stated by the Office of Management and Budget (OMB), applying the criteria affords agencies several potential benefits:

Application of the criteria helps to improve public understanding of the benefits and effectiveness of Federal RD&T.

ANTICIPATED FY 2007 ACCOMPLISHMENTS

- FTA is able to make program decisions based on information beyond anecdotes and prior-year funding levels.
- FTA has used the R&D investment criteria to improve the budget process and managing RD&T programs increases the overall productivity of the Federal research portfolio.
- The criteria will help communicate the expectations of proper program management and set standards for information provided in program plans and budget justifications.

Administrative Expenses – These associated administrative costs are included under the appropriate performance goal that the programs and projects under the Research and University Research programs support.

7. Eliminating Improper Payments

PERFORMANCE ISSUE

GAO reported that improper payments cost the Federal government approximately \$35 billion annually and that Federal expenditures are likely to increase due to the projected increased costs of programs such as Medicare, Medicaid, and Social Security. The joint Chief Financial Officers' Council and the President's Council on Integrity and Efficiency identified a number of problems that increase the risk of improper payments. They include: a weak or incomplete program control environment, and risks inherent in the regulatory and policy structure and a lack of attention toward Government-wide coordination and information sharing. The Improper Payment Information Act of 2002" requires agencies on or after fiscal year ending September 30, 2004 to: Identify and review all programs and activities for significant erroneous payments. Significant erroneous payments are defined as annual improper payments in the program exceeding both 2.5% of program payments and \$10 million.

In FY 2004, the Department reviewed all program and activities that could potentially generate improper payments greater than \$10 million. The Department determined that there were ten programs that could reach the \$10 million improper payment threshold, thereby subject to the statutorily required improper payment estimation. FTA's Formula Grants and Capital Investment Grants are two of the ten programs identified as at significant risk of improper payments. As a follow-up, in FY 2004, DOT contracted with KPMG to develop a statistical-based risk criteria methodology and to conduct risk assessments for the top ten programs. During the review KPMG found no programs had significant improper payments. In 2005, DOT once again conducted a review to assess whether significant improper payments existed. This included statistical sampling of payments through each phase of the payment lifecycle and identifying the causes of error and determining corrective action. DOT has also launched an innovative research and development project with the Tennessee DOT to address improper payment in the highway grants arena. With the conclusion of the

R&D effort, the DOT will have a plan/methodology in place to measure risk susceptible grant programs. FTA is on target with its assessment of Improper Payments.

ANTICIPATED FY 2007 ACCOMPLISHMENTS

AOC Solutions on the recently concluded FY 2004 Improper Payment Information Act (IPIA) review of the FTA Capital Investments and Formula Grants payments to Grantees they reported the following findings:

- With your payments being processed through sophisticated systems like TEAM and ECHO, as well as Delphi, your payments are able to be carefully monitored and controlled.
- You are to be commended on the processes and systems you have put into place that have ensured the accuracy of your grants payments. As we have found, even during a time of system transition with the expected bugs and manual "fixes" that go along with that, you were able to provide detailed explanations of how certain payments were made.
- We have also seen that your team is very dedicated and knowledgeable about the grants payment processes and systems, and that is a key factor in making the processes work.

Administrative Expenses – these associated administrative costs are captured under the President's Management Agenda - Financial Management Improvement.

Section 5. Research,
Development and
Technology Exhibits

RD&T Budget and
Performance Charts
(Exhibits V-1 & V-2)

EXHIBIT V-1

RESEARCH, DEVELOPMENT, & TECHNOLOGY
DEPARTMENT OF TRANSPORTATION
BUDGET AUTHORITY
(\$ in thousands)

FEDERAL TRANSIT ADMINISTRATION	FY 2006 Actual	FY 2007 Cont. Resolution	FY 2007 Pres. Budget	FY 2008 Request
A. National Program	54,351	44,500	40,500	40,500
1. Increase Transit Ridership	13,717	11,706	12,800	10,650
a. Increase Transit Ridership	2,256	1,400	1,500	1,000
b. Increase Transit Ridership (T)	11,460	10,306	11,300	9,650
2. Improve Capital and Emergency Operating Efficiency	18,755	17,770	11,755	13,410
a. Improve Capital and Emergency Operating Efficiency	5,427	4,790	4,200	5,600
b. Improve Capital and Emergency Operating Efficiency (T)	13,328	12,980	7,555	7,810
3. Improve Safety and Emergency Preparedness	8,586	9,190	10,201	9,420
a. Improve Safety and Emergency Preparedness	402	1,300	500	2,200
b. Improve Safety and Emergency Preparedness (T)	8,184	7,890	9,701	7,220
4. Protect Environment and Promote Energy Independence	11,594	2,990	1,950	3,750
a. Protect Environment and Promote Energy Independence	8,795	2,040	1,200	3,000
b. Protect Environment and Promote Energy Independence (T)	2,799	950	750	750
5. Provide Transit Research Leadership	1,700	2,844	3,794	3,270
a. Provide Transit Research Leadership	0	0	0	0
b. Provide Transit Research Leadership (T)	1,700	2,844	3,794	3,270
B. Transit Cooperative Research Program (T)	8,910	9,300	9,300	9,300
C. National Transit Institute (T)	4,257	4,300	4,300	4,300
D. Rural Transit Assistance Program (T)	0	0	0	0
E. University Transportation Centers (T)	6,930	7,000	7,000	7,000
Subtotal, Research and University Programs	74,448	65,100	61,100	61,100
F. Administrative Expenses	1,088	709	585	966
Subtotal, Research & Development	17,968	10,239	7,985	12,766
Subtotal, Technology Investment (T)	57,568	55,570	53,700	49,300
Subtotal, Facilities (F)	0	0	0	0
Total FTA	75,536	65,809	61,685	62,066

1/ Research and University Research Centers includes the \$100,000 in Indefinite Appropriation Authority.

EXHIBIT V-2
FEDERAL TRANSIT ADMINISTRATION
FY 2008 RD&T BUDGET
(\$ in thousands)

RD&T Program	FY 2008	Safety	Reduced Congestion	Global Connectivity	Environ.	Security	Org. Excell.
National Research Program	40,400	7,620	26,100	700	3,750	1,800	430
<i>Increase Transit Ridership</i>	10,650	0	10,650	0	0	0	0
Increase Transit Ridership	1,000		1,000	0	0	0	0
Increase Transit Ridership (T)	9,650		9,650	0	0	0	0
<i>Improve Capital and Emergency Operating Efficiency</i>	13,410	0	12,550	700	0	0	160
Improve Capital and Emergency Operating Efficiency	5,600		5,600	0	0	0	0
Improve Capital and Emergency Operating Efficiency (T)	7,810		6,950	700	0	0	160
<i>Improve Safety and Emergency Preparedness</i>	9,420	7,620	0	0	0	1,800	0
Improve Safety and Emergency Preparedness	2,200	2,200	0	0	0	0	0
Improve Safety and Emergency Preparedness (T)	7,220	5,420	0	0	0	1,800	0
<i>Protect Environment and Promote Energy Independence</i>	3,750	0	0	0	3,750	0	0
Protect Environment and Promote Energy Independence	3,000		0	0	3,000	0	0
Protect Environment and Promote Energy Independence (T)	750		0	0	750	0	0
<i>Provide Transit Research Leadership</i>	3,170	0	2,900	0	0	0	270
Provide Transit Research Leadership	0		0	0	0	0	0
Provide Transit Research Leadership (T)	3,170		2,900	0	0	0	270
Transit Cooperative Research Program (T)	9,300	0	9,300	0	0	0	0
National Transit Institute (T)	4,300	0	4,300	0	0	0	0
Rural Transit Assistance Program (T)	0	0	0	0	0	0	0
University Transportation Centers (T)	7,000	0	7,000	0	0	0	0
Administrative Expenses	966	182	624	17	90	43	10
Subtotal, Research & Development 1/	12,766	2,382	7,224	17	3,090	43	10
Subtotal, Technology Investment (T)	49,200	5,420	40,100	700	750	1,800	430
Subtotal, Facilities (F)	0	0	0	0	0	0	0
Total FTA	61,966	7,802	47,324	717	3,840	1,843	440

1/ Research and University Research Centers does not include the \$100,000 in Indefinite Appropriation Authority.

**RD&T Program
Summary
(Exhibit V-2A)**

EXHIBIT V-2A

FEDERAL TRANSIT ADMINISTRATION

Research and University Research Centers Program Summary

RD&T PROGRAM: INCREASE TRANSIT RIDERSHIP
AMOUNT REQUESTED FOR FY 2008: \$10,650,000

Accessibility for Persons with Disabilities: Project ACTION

Objective: Improve transportation solutions for specialized populations.

Description: Program activities facilitate cooperation between the transit industry and the disabled community, ensuring accessible public transportation systems and compliance with the provisions of the Americans with Disabilities Act.

Outputs: Compliance of bus and rail systems with the Americans with Disabilities Act; increased access to public transportation.

FY 2008 Funding: \$3,000,000

National Technical Assistance Center for Senior Transportation

Objective: Address the need for dignified, consumer-oriented transportation for the aging population in the U.S.

Description: This program has developed a detailed needs assessment for older adult transportation technical assistance. The implementation of the NTACSM will assist local communities and States in the provision and expansion of transportation services for older adults.

Outputs: Enhanced transportation technical assistance for the elderly.

FY 2008 Funding: \$1,000,000

Community Transportation Association of America Nationwide Joblinks

Objective: Improve transportation solutions for specialized populations.

Description: The Joblinks program (a continuation of the Job Access and Reverse Commute program, JARC) facilitates employment for low-income and special needs populations by linking people with employment opportunities. Research projects determine best-practices and measure program effectiveness.

Outputs: Development of JARC briefs on individual projects, strategies and issues for program evaluation procedures.

FY 2008 Funding: \$800,000

Congestion Initiative Expert Support

Objective: Reduce congestion through the evaluation of and assistance in implementation of transit projects.

Description: Provide expert contractor support as needed to facilitate the implementation of specific congestion reducing projects in one or more major metropolitan areas.

Outputs: Analyses and project reviews in support of congestion mitigation activities undertaken in major metropolitan areas.

FY 2008 Funding: \$1,700,000

Congestion Initiative Measurement

Objective: Measure the economic benefits of the Congestion Initiative in the locations where an agreement to reduce congestion by utilizing transit is in place.

Description: The economic value of congestion reduction achieved under the Congestion Initiative will be measured over the course of three years using direct measures. Ancillary measures will also be employed to measure related concerns such as benefits by income, valuation of economic benefits, and commercial revenue forecasts.

Outputs: Early results of the Congestion Initiative, begun in FY 2006, will be measured during FY 2008.

FY 2008 Funding: \$750,000

Demonstration of Methods, Techniques and Technologies to Increase Transit Ridership

Objective: Select projects on a competitive basis that have the ability to increase transit ridership or reduce congestion as the primary selection criteria.

Description: This project will fund a competition seeking research or demonstration proposals on technologies and practices that are most likely to increase ridership and/or reduce congestion through public transportation. Several projects will be selected and funded based on OMB's Research & Development Investment Criteria to ensure that research does not duplicate other efforts.

Outputs: Outputs and timing will be defined based upon the proposed research and demonstration projects.

FY 2008 Funding: \$1,000,000

SAFETEA-LU Implementation: Mobility Management

Objective: The implementation of mobility management arrangements in all 50 states and in 50 percent of urbanized areas during the next five years.

Description: Mobility management activities are defined in SAFETEA-LU as short term planning and management activities designed to coordinate public transit and other transportation services. This project will provide resources to implement the mobility management strategic plan across the country.

Outputs:

- Financial Assistance for the continued implementation of the national education program.
- A national communication network and the organization of technical assistance and training activities for mobility managers.
- The tracking and evaluation of implementation efforts.

FY 2008 Funding: \$300,000

State Coordinated Grants

Objective: Improve transportation services for people with disabilities, people with low incomes, and older adults.

Description: State Coordinated Grants are one of the five components of the United We Ride Initiative recommended by the President's Council on Access and Mobility. State Coordinated Grants provide funding for states to address critical gaps in human service transportation, while retaining discretion to target those projects that will best meet local needs.

Outputs: Improved transportation for elderly, disabled, and low-income populations.

FY 2008 Funding: \$2,000,000

Federal Interagency Coordinating Council on Access and Mobility: United We Ride

Objective: Provide strategic external support for priority research projects identified by the Interagency Coordinating Council.

Description: Through the Interagency Coordinating Council, research projects related to human service transportation are aligned within DOT. Research projects that require external support in order to produce deliverables are identified by the Council. Funding also contributes to outreach and education initiatives.

Outputs: Anticipated outputs include data collection, data analysis and reports to improve transportation for disabled, elderly, and low-income populations.

FY 2008 Funding: \$100,000

**RD&T PROGRAM: IMPROVE CAPITAL AND EMERGENCY OPERATING EFFICIENCY
AMOUNT REQUESTED FOR FY 2008: \$13,410,000**

Development of Transit Standards

Objective: Improve the design, performance, safety and reliability of transit systems through the development of voluntary consensus domestic and international standards for bus and rail operations.

Description: The Office of Research and Innovation is currently developing cost-effective high priority design standards to address new technology innovations. A business case analysis of a wide variety of potential standards including communications based train control, automatic vehicle location, vehicle monitoring and diagnostics, passenger information systems, and event recorders is underway. Stage gates will be established to provide decision points for a 'go' or 'no-go' decision on the development of each standard under consideration.

Outputs: Voluntary consensus industry standards that can be formally balloted through a standards development organization.

FY 2008 Funding: \$1,500,000

ADA Regional Dialogues on Accessible Transportation

Objective: Improve transportation accessibility for Americans with disabilities.

Description: This project will develop programs to provide assistance to FTA's grant recipients, transit industry stakeholders, and the general public in understanding the requirements of the ADA and the DOT ADA implementing regulations (49 CFR Parts 27, 37 & 38).

Outputs: Increased awareness of transportation requirements under the Americans with Disabilities Act (ADA), a more efficient use of resources, and communities able to identify and resolve local issues before they grow into official complaints against a transit operator.

FY 2008 Funding: \$300,000

FAST Track New Starts Management System

Objective: Develop methods and technologies to improve transit operational efficiency.

Description: FAST Track is an information management tool that provides information on New Starts projects. This system allows for the integration of planning, finance, and project management data at different stages of project history for the production of management reports.

Outputs: Improved project oversight through the expansion of the FAST Track database.

FY 2008 Funding: \$200,000

Major Investment Planning and Methods

Objective: Improve the methods and results of planning and development of major transit capital investments.

Description: This project provides enhanced tools and methods for a number of technical planning activities such as travel demand forecasting, capital, operations, and maintenance costing, and environmental and land use analyses.

Outputs: This is a multi-year program with project evaluations lasting approximately a year. Specific projects have not been chosen for study in 2008. Generally, the result is that better projects are planned and developed and funding decisions are made with improved information.

FY 2008 Funding: \$400,000

Joint Development Usage

Objective: Identify practices and technologies to maximize public sector investment and control capital costs through joint development.

Description: This project supports the maintenance of a database of joint development projects. The database includes performance criteria such as the type of development, its impact on ridership, the nature of the development agreement, and the amount of return to transit.

Outputs: A geographically based dataset of joint development projects nationwide.

FY 2008 Funding: \$250,000

National Transit Geographic Information System

Objective: Utilize GIS technologies to control capital and operating costs.

Description: This project furthers development of GIS software to enable online remote tracking of transit operations, performance, and benefits at various levels of detail. FTA possesses mathematical models with which to calculate transit's economic benefits in diverse markets.

Outputs: GIS applications for the transit industry beyond the prototype stage.

FY 2008 Funding: \$300,000

New Starts Roundtable

Objective: Facilitate information exchange between project sponsors and the FTA.

Description: The Roundtable provides sessions related to planning and project development procedural and technical issues, as well as information about FTA's management of the New Starts program. Because of the complexity of issues involved in planning major transit investments and changing program emphasis areas, communication is best facilitated with workshops and regional meetings.

Outputs: Resource materials on improved and innovative planning techniques for New Starts projects generated at each Roundtable (2-3 per year) and outreach workshop (4-6 per year).

FY 2008 Funding: \$200,000

Public Private Partnership Initiative

Objective: Identify best practices and develop standards for the implementation of public private partnership agreements.

Description: This project extends the Public Private Partnership Pilot Program and SAFETEA-LU mandated report to Congress, designed to gauge the effectiveness of public private partnerships as they specifically relate to the transit industry. Guidance and standards for the implementation of public private partnerships are the next step.

Outputs: Guidance and public private partnership best practices.

FY 2008 Funding: \$750,000

Rail Cost Studies

Objective: Develop tools which strengthen and facilitate project management oversight by FTA, as well as grantees cost estimates of Light Rail, Heavy Rail and Commuter Rail projects.

Description: These cost studies will be used by the transit community in accessing project cost estimate trends in terms of the national experience versus that of an individual project. FTA will be able to demonstrate effective project cost management and thereby increase efficient investment of Federal money.

Outputs:

- Updated Light Rail Cost Study
- Updated Heavy Rail Cost Study
- Commuter Rail Cost Study

FY 2008 Funding: \$350,000

Rail Programs

Objective: Undertake research to improve rail operations.

Description: FTA will investigate methods and technologies to improve rail operations. Examples of projects include:

- Electronic Train Management Systems (ETMS) for Commuter Rail Operations - ETMS has been successfully used by freight railroads to improve operations. ETMS is a lower-cost communications based system that enforces movement authority and speed restrictions and can also provide real-time customer information.
- Benefits of Automated Metro Operations - This study would examine the benefits of fully automated metro operations in the United States. Foreign systems which are operating in fully automated mode have demonstrated improved reliability of service, more frequent service and reduced operating costs.
- Track Inspection - In summer months, host railroads often issue heat orders to rail operators forcing them to reduce travel speeds. Current methods that are commonly used to inspect the tracks do not provide real-time monitoring capability. Without knowing the exact stress in the rails, unnecessary heat orders are often issued as a precaution. This project will examine various alternatives.

Outputs: The output will be improvements to rail operations. Examples include an analysis of the benefits of automated metro operations, improved train control, and improved track inspection technology.

FY 2008 Funding: \$1,000,000

Rail IDEA Program

Objective: Encourage innovative solutions to rail problems through funding of a Rail IDEA (Innovations Deserving Exploratory Analysis) Program.

Description: This program will be a companion to the Transit IDEA Program that emphasizes new and unconventional approaches that have the potential to produce "leapfrog technologies," and/or significant advances in transit practice. The Rail program will undertake research applicable to commuter rail and/or metro operations.

IDEA projects are funded to explore the feasibility of new and innovative concepts, for proof of concept (Type 1), or to test the performance of a prototype in actual field operation (Type 2). The IDEA program supports projects with a high risk/high payoff approach to timely, innovative solutions to transit problems. The program is funded by the Federal Transit Administration (FTA) as part of the Transit Cooperative Research Program (TCRP).

Outputs: Outputs would depend on the projects selected.

FY 2008 Funding: \$500,000

Sponsorship and Participation in Transit Industry Forums

Objective: Improve the capacity of the transit industry workforce.

Description: FTA will participate in and support critical meetings that serve as a forum for transit community partners and FTA to communicate advances and developments in planning policies and methodologies, as well as proposed changes in planning requirements that lead to improved project level analysis, more efficient environmental reviews of projects, and comprehensive regional planning.

Outputs:

- Sponsorship of at least 10 transportation-related conferences with stakeholder groups, including the Transportation Research Board, the American Public Transportation Association, and the American Planning Association.
- Conference, workshop, and Peer Roundtable proceedings highlighting the benefits of transit and promoting the connection between effective transit projects and preparatory systems planning, supportive land use planning, improved financial analysis, etc.
- Training Webinars with stakeholders and grantees focused on planning issues related to new programs and requirements, with exhibits featuring transit-related documents, CDs, and brochures.

FY 2008 Funding: \$150,000

Statewide Decision-Making Workshop

Objective: Inform State decision-makers about innovative transit growth and financing programs.

Description: Through this project, FTA will leverage sponsorship of past Governors' Institute workshops to advance consideration of growth and financing programs that are central to transit programs. These venues provide FTA with a unique opportunity to work with the highest levels of state government to impact and shape transit investments.

Outputs:

- Workshops focused on possible transit systems, transit types, and transit-oriented development.
- Information dissemination to State and local government decision makers on the process of creating a transit project, the various financing options, the importance of linking transit to land use, and the range of available transit technologies.

FY 2008 Funding: \$200,000

Support for Title VI/DBEs/EEO

Objective: Ensure the non-discriminatory use of federal funds by recipients of FTA assistance.

Description: Compliance reviews and assessments are conducted to determine if the grantee's required Title VI, Equal Employment Opportunity (EEO), and Disadvantaged Business Enterprise (DBE) programs are in compliance as requested by FTA. These reports enable FTA to provide technical assistance to grant recipients to assist them in correcting prevalent civil rights concerns.

Outputs: A triennial review is required under 49 USC 5307 (i)(2) of all recipients of Section 5307 funds. Improved compliance rate of grantees in meeting Title VI/DBE and EEO administrative and statutory requirements.

FY 2008 Funding: \$750,000

Trade Promotion, Technical Assistance, and Training

Objective: Expose domestic businesses to international technological innovations, enhancing their global competitiveness.

Description: FTA will pursue technology transfer activities with those developed countries with which it has Memorandums of Understanding and with developing countries where trade opportunities may exist. This project will also provide increased trade support to the domestic transit industry through trade missions, reverse trade missions, market research, and other trade related activities.

Outputs:

- Trade missions, trade shows, and reverse trade missions and meetings with foreign decision makers and foreign companies that are interested in purchasing U.S. transit goods and services.
- Market research and reports about foreign markets that are available to the U.S. domestic community.
- Technical cooperation, bilateral meetings, and fact-finding missions to foreign operations.

FY 2008 Funding: \$700,000

Transit Oriented Development Benchmarking

Objective: Identify practices and technologies to control capital and operating costs.

Description: Funding supports the development of standards and definitions for transit-oriented development (TOD) adjacent to public transportation facilities and performance benchmarking in New Starts cities. System planning guidance, performance criteria and modeling techniques will be expanded. This project will also provide research support and technical assistance for metropolitan planning agencies and public transportation agencies.

Outputs: Objective standards for transit oriented development.

FY 2008 Funding: \$1,000,000

Major Capital Projects Roundtables

Objective: Facilitate communication between FTA and localities with major ongoing capital projects to improve operating efficiency.

Description: The Major Capital Projects Roundtables are three-day, semi-annual meetings held in cities with on-going major capital projects in significant stages of construction. They serve as a forum for open discussion of lessons learned in transit design and construction of major capital projects, which allows FTA to learn about current needs and concerns and take appropriate actions to provide technical assistance and improved service to customers.

Outputs:

- Provision of immediate communication on the latest transit engineering, contracting, and construction techniques to efficiently and effectively implement major capital projects.
- Facilitation of peer-to-peer contact, focus groups, lessons learned, best practices, and white papers.
- Establishment of a year-around nationwide network of engineering/construction transit professionals who use each other and FTA as a resource for solving technical issues.

FY 2008 Funding: \$130,000

Transportation Planning Capacity Building Program Support

Objective: Support of innovative practice and continued compliance with the planning provisions of SAFETEA-LU through the development and delivery of technical assistance.

Description: The joint FTA/FHWA Regulations for implementing the planning provisions of SAFETEA-LU are projected to be finalized in 2007. The program will play an important part in promoting effective planning practice. In addition to the development, refinement, and dissemination of guidance, “effective practice” case studies will be assembled and distributed on topics such as:

- a) Coordinated Land Use, Economic Development, and Transportation Planning;
- b) Public Participation in Planning;
- c) Considering Security in Planning;
- d) Environmental Mitigation in Planning; and
- e) Financial/Fiscal Planning and Analysis.

Outputs:

- Web and Print-Based Guidance, which involves stakeholder market research to identify opportunities for improving the format and content of information dissemination and better targeting that information to user groups and needs.
- Systems Planning Workshops focused on development and dissemination of those effective planning practices most critical to successful follow-on planning at the corridor and project levels, including environmental studies.
- Peer Exchange Sessions, held in conjunction with national and regional transit and planning workshops, where elected officials and planning practitioners can share experiences and effective practice.
- Case Studies, where “incentive funds” to promote transit-focused systems planning are provided to planning agencies to develop, implement, and document planning program elements in accordance with FTA guidance (e.g. ridership forecasting, financial planning, and transit-supportive economic development and land use).
- Program Performance Assessment, which involves development and applications of outcome-based performance indicators to gauge TPCB program effectiveness.

FY 2008 Funding: \$400,000

Bus Programs

Objective: This project will undertake research to improve bus operations.

Description: FTA will investigate methods and technologies to improve bus operations. Examples of projects include:

- Demonstration of low-cost integrated ITS solutions for transit buses. This project will demonstrate and evaluate the cost/benefit of key technologies including automatic vehicle locators, fare collection, real-time customer information, security systems, communications, and diagnostics/maintenance using open architecture.
- Analysis of bus technologies - This project will examine technologies and methods to improve bus operations.

Outputs: Improvements to bus operations.

FY 2008 Funding: \$1,500,000

Estate Circulars and Regulatory Training

Objective: Reduce real-estate problems within grantee agencies by providing information on the real-estate program.

Description: Based upon the recent changes in the Uniform Act government wide, FTA Engineering has been revising the various programmatic guidelines such as “project and construction management” guidelines and “grant management” circular (C5010). This project will develop and provide training materials and course curriculum for NTI coursework in this area.

Output: NTI coursework materials and course curriculum.

FY 2008 Funding: \$200,000

Transit Operations Improvement

Objective: This project will undertake research to improve transit system operations.

Description: FTA will investigate methods and technologies to improve transit system operations. Examples of projects include:

- WiMAX on Public Transit - Worldwide Interoperability for Microwave Access (WiMAX) is a wireless metropolitan area network technology that provides interoperable broadband wireless connectivity in a 30 mile service area. Applications of WiMAX to transit can include surveillance cameras, dispatch messaging, vehicle status/diagnosis reporting, on-board Internet access, real-time information services, streaming video, announcements, and automatic vehicle location. This project will demonstrate the cost/benefits of using WiMAX for these applications.
- Enterprise Architecture for Transit Agencies: this project would examine the functional and technical requirements for next generation Enterprise Architecture for transit agencies and best practices. Enterprise Architecture is used to assist transit management and staff to focus on improving core business processes.

- Regional fare systems linked to mobile phones and credit cards: this project will examine whether the use of public transportation might be facilitated in a region by the implementation of a multimodal, smartcard fare system linked to credit cards and cell phones. These cell phones or credit cards could be used to perform commercial transactions or for transit fare applications using open architecture.

Outputs: Implementation of WiMAX in public transportation applications, next generation Enterprise Architecture requirements, and advanced fare payment systems.

FY 2008 Funding: \$1,500,000

Bus Rapid Transit Improvements

Objective: Provide tools to transit agencies that will assist in increasing transit ridership, particularly in the area of Bus Rapid Transit (BRT).

Description: Communities are increasingly looking to BRT as one method to improve their operations, reduce congestion, and increase transit ridership. FTA has previously developed the Characteristics of Bus Rapid Transit for Decision Making document providing data on the various operating models for BRT. This project would develop a design guideline manual for the transit industry to use as it develops BRT projects.

Outputs: A design guideline manual for BRT to be used by transit agencies.

FY 2008 Funding: \$750,000

Workforce Plan Development/Competitive Sourcing

Objective: Improve transit innovation, efficiency, and effectiveness through competition between the public and private sectors.

Description: This FTA program utilizes survey results from other government agencies that have engaged in private contracting work to explore opportunities for FTA to implement similar agreements. This information then establishes a basis for future cost estimates.

Outputs: Cost estimates that are more accurate, enhanced worker productivity, and improved efficiency.

FY 2008 Funding: \$160,000

Rail~Volution Conference Support

Objective: Provide support for Rail~Volution, an annual national conference on building livable communities through transit.

Description: During this three-day conference, FTA presents current issues in New Starts,

land use planning, and joint development to stakeholders in the transit industry. The FTA Administrator is featured as a keynote speaker.

Outputs: Presentations and information dissemination on relevant transit issues.

FY 2008 Funding: \$20,000

Support for Meeting Americans with Disabilities Act Requirements

Objective: Advise and assist transit agencies in meeting the Americans with Disabilities Act requirements.

Description: FTA will provide technical and legal expertise, answering inquiries from local and regional transportation service providers about the Americans with Disabilities Act requirements.

Outputs: A decreased number of transit agencies found in non-compliance with the Americans with Disabilities Act.

FY 2008 Funding: \$200,000

**RD&T PROGRAM: IMPROVE SAFETY AND EMERGENCY PREPAREDNESS
AMOUNT REQUESTED FOR FY 2008: \$9,420,000**

Fire Materials Testing

Objective: Improve fire safety on transit vehicles for passengers and employees.

Description: This research program tests and analyzes the latest fire safety technology in order to improve fire safety performance criteria and ensure compliance with the FTA standard of Rail Transit Recommended Fire Safety Practices.

Outputs:

- Publish FRN containing final Rail Transit Recommended Fire Safety Practices.
- Improved flexibility of fire performance tests that will reduce manufacturer test costs while more accurately reflecting real world fire behavior.

FY 2008 Funding: \$200,000

Transit Safety and Security Information Sharing and Public Awareness

Objective: Keep FTA's customers informed about ongoing safety and security issues, as well as resources available to increase safety and emergency preparedness.

Description: Transit Safety and Security Information Sharing and Public Awareness is

comprised of three tasks: "Safety and Security Public Website," "Safety and Security Clearinghouse," and "Safety and Security Program Management Website."

- The Transit Safety and Security Clearinghouse serves as an ongoing repository for written materials and resources currently available on the subject of transit safety and security and related technologies. FTA receives requests for information or documents via telephone, email, and the Transit Safety and Security Website.
- The Transit Safety and Security Website supports the ongoing management of information on transit safety and security. Technical assistance is provided in the form of guidelines, technical publications, final reports, and expert advice through referrals to other industry experts, simulation models, and state-of-the-art information resources.
- The Transit Safety and Security Program Management Website serves as a program management and tracking tool for all FTA Transit Safety and Security Audit functions. The website provides auditing tools and information for on-site audits and includes logistics, previous audit information, and key contacts.

Outputs:

- The Transit Safety and Security Clearinghouse publishes and disseminates technical assistance/reference documents on transit safety and security. FTA customers also have access to the library that contains these documents online.
- The Transit Safety and Security Website provides the opportunity for FTA customers to download transit safety and security reference documents from their desktop, eliminating a 7-10 day wait for the mail to deliver the publications.
- The Transit Safety and Security Program Management Website is a program management tool that will improve audit programs.

FY 2008 Funding: \$450,000

Connecting Communities

Objective: Prepare transit and transportation systems, emergency service agencies, and local, county, regional and tribal governments for emergency situations.

Description: Co-sponsored by the Transportation Security Administration (TSA), the Forums will focus on the role of transit systems as a resource and partner in local and regional emergency management. Stakeholders are educated about emergency preparedness through the coordination, communication, planning and practice of safety and security measures.

Outputs: FTA plans to conduct 40 Connecting Communities by FY 2008. By the end of each Connecting Communities workshop, participants will be able to:

- List potential incidents within their respective jurisdictions that would require multi-agency and multi-discipline responses;
- Describe resources that might be needed in the previously identified responses;
- Identify avenues for obtaining needed resources;

- Demonstrate the planning process for establishing pre-incident relationships; and
- Apply techniques for managing an incident that is reliant on multi-agency coordination.

FY 2008 Funding: \$500,000

Drug & Alcohol Program (DAMIS/Guidance)

Objective: Reduce the incidence of substance use by transit employees.

Description: This combines two projects that were previously funded separately, Drugs and Alcohol Testing (DAMIS) and Drug and Alcohol Testing Guidelines Updates. This project funds the collection, maintenance and analysis of the DAMIS reports, now submitted by over 800 employers, and the production of an annual national report. The program also funds updates to the Best Practices Manual, Implementation Guidelines, and other technical assistance material for the grantees.

Outputs:

- Congressionally mandated DAMIS reports serve as a primary tool to evaluate the effectiveness of the regulations and support future modifications, including adjusting the random testing rates.
- DAMIS data are an important factor in FTA's decisions concerning oversight activities, including the compliance audits of individual employers' drug and alcohol testing programs.
- The guidelines and the newsletters will increase the technical assistance provided by FTA and will enable the transit agency to better comply with the drug and alcohol regulations.

FY 2008 Funding: \$1,350,000

Resource Links for Top 20 Transit Agencies

Objective: Keep FTA's customers informed about ongoing safety and security issues, as well as resources available to increase safety and emergency preparedness.

Description: This project involves the linking of new and updated specific resource and reference documents to each of the Top 20 Security Action Items. These new, state-of-the-art documents provide the latest detailed information on the security action item and the means for implementation. Document links are posted on the FTA Safety and Security website.

Outputs: A better educated transit community.

FY 2008 Funding: \$150,000

Safety Training

Objective: Provide transit personnel with effective safety and security training.

Description: Under this interagency agreement, the Transportation Safety Institute (TSI) will conduct safety and security courses and seminars. TSI will also convene meetings of the Associate Staff to review, evaluate, and update course content and will provide instructor excellence training for Associate Staff to assist them in honing their course delivery skills.

Outputs: Delivery of over 35 Safety and Security courses to the transit industry.

FY 2008 Funding: \$1,500,000

Safety and Emergency Preparedness Technology

Objective: Utilize technology to improve safety and emergency preparedness.

Description: This is a follow-on to proposed projects to improve safety and emergency preparedness. Money will be used to fund a competitive program seeking research or demonstration proposals on technologies and practices that are most likely to improve safety and emergency preparedness. Several projects will be selected and funded based on OMB's Research & Development Investment Criteria to ensure that research does not duplicate other efforts.

Outputs: Outputs will depend on the projects selected through the competitions.

FY 2008 Funding: \$2,000,000

Transit Safety & Security Statistics Report & Analysis

Objective: Provide FTA and industry stakeholders with the basis for identifying key safety and security problems.

Description: The Transit Safety & Security Statistics Report & Analysis (formerly the Safety Management Information Statistics - SAMIS) is a mandatory reporting requirement as part of the National Transit Database (NTD). This project funds a separate and enhanced safety and security data analysis process which produces an annual report containing normalized and trend data along with basic statistical information.

Outputs: An analysis and dissemination of the data reported in the Safety and Security Module of the National Transit Database (NTD) including analysis of data and development of safety and security industry trends, real time assistance with data inquiries, and Transit Safety & Security Statistics & Analysis Annual Reports, biennial newsletters, and web products.

FY 2008 Funding: \$250,000

Transit Security Roundtable

Objective: Encourage the dissemination and sharing of information vital to a safe and secure transit environment.

Description: Hosted by the FTA in partnership with the Department of Homeland Security (DHS), this ongoing initiative provides an opportunity for safety and security officials from the nation's largest transit agencies to meet and exchange information relative to transit security issues, particularly technology and best practices.

Outputs: One to two Transit Security Roundtables per fiscal year.

FY 2008 Funding: \$200,000

System Safety Program Guidance

Objective: Apply system safety principles to major capital projects.

Description: Successful implementation of SAFETEA-LU provisions requires research and guidance to promote industry-wide improvements in the performance and management of system safety analysis. This guidance will promote a consistent and mutually agreed-upon process for addressing safety and security risks, and bring safety into the management review process for automatic consideration in the total project implementation and risk perspective.

Outputs: Identification of effective practices and a gap analysis report on strategies and technologies that can positively impact safety.

FY 2008 Funding: \$200,000

Immediate Response to Transit Emergencies

Objective: Provide greater oversight in responding to emergency requests on safety and security issues.

Description: In emergency situations, FTA will provide on-site effective and efficient technical assistance and dispatch appropriate experts to evaluate and investigate emergencies involving transit systems.

Outputs: A more coordinated and effective response at the Federal, State, and local level in the case of an emergency.

FY 2008 Funding: \$750,000

Bus Rapid Transit (BRT) Safety Issues

Objective: Evaluate BRT projects aimed to reduce congestion within corridors by providing safety criteria and assessing safety planning and implementation.

Description: Bus Rapid Transit is not a single type of transit system; rather, it encompasses a variety of approaches, including buses using exclusive bus ways or High Occupancy Vehicle (HOV) lanes with other vehicles and improving bus service on city arterial streets. This project will research those issues and challenges that affect the safety of BRT during all phases of project development and operation. Issues addressed could include design of traffic signal preemption systems for prioritizing bus movements, application of ITS technologies, running way guidance, vehicle configuration, and passenger safety at BRT transit stops and on the system.

Outputs:

- State-of-the-Practice assessment: identification of effective practices and a gap analysis report on strategies and technologies that can positively impact safety.
- Analysis of causal data to support the reduction in the rate of fatalities and injuries – Identification of mitigation strategies that are presented back to the industry through many forums in an effort to improve safety and reduce fatalities and injuries.
- Technical assistance and guidance: development and dissemination of guidance materials that support the increased implementation of a standard approach to safety strategies in BRT planning, design, construction and operations – both procedure based and technological.
- Development of evaluation criteria for FTA's assessment of proposed BRT projects: this project will provide outputs in the form of internal guidance to support FTA's evaluation of proposed BRT projects with regard to safety.
- Coordination: this project provides an opportunity for FTA to continue its coordination efforts through such means as the National BRT Institute and additional venues through the use of surveys, review committees, and advisory groups. Key outputs from these coordination efforts include action memos, surveys, and targeted strategies to prioritize the use of technology to support BRT operations and safety.

FY 2008 Funding: \$500,000

Evaluation, Development, and Delivery of Current Safety and Security Courses

Objective: Provide transit employees with knowledge of safety and security issues as they evolve in the industry.

Description: In collaboration with DHS, FTA determines specific approaches that address safety and security related issues. Transit employees are taught the knowledge and skills necessary to safely and effectively operate, maintain, and manage public transportation systems.

Outputs:

- Safety and Security courses to frontline transit personnel.
- “Train the trainer” courses.
- Pamphlets, CD’s, and other materials for the transit industry.

FY 2008 Funding: \$400,000

FTA Emergency Contact Database

Objective: Communicate in real-time with transit agencies; keep stakeholders abreast 24 hours a day of any significant national safety and security matter.

Description: FTA maintains a database in order to communicate with key transit agency contacts about emergencies. The current database version includes the top 100 transit agencies, industry representatives, state safety oversight contacts, key FTA personnel, and FTA emergency coordinators. FTA will expand and enhance the database to include all transit agencies, and convert the database to a web-based design that would offer greater accessibility to communication, information, and events for transit safety and security directors.

Outputs: Transit agencies have current information and can update their systems data in real-time.

FY 2008 Funding: \$720,000

Continuity of Operations Planning (COOP)

Objective: Ensure that in an emergency, major functions continue operating to protect the safety of the public.

Description: FTA will update COOP plans, provide training, and maintain communications databases to make certain the continuity of operations within the transit community and FTA.

Outputs: An updated COOP plan; IT communications training as necessary.

FY 2008 Funding: \$50,000

Disaster Response and Recovery Support

Objective: Maintain a high-level of readiness to assist grantees promptly in potential times of emergency need.

Description: FTA will secure contractors through an open procurement process to be available immediately for planning and technical support provided directly to State and local transportation agencies in the event of an emergency or natural disaster.

Outputs: Technical assistance in the following areas:

- Transit operations support
- Coordinated, human services transportation planning and technical support
- Engineering and project management technical support (including damage assessments, project design and management)
- Grants management, reporting and administration
- Communications and public information

FY 2008 Funding: \$200,000

RD&T PROGRAM: PROTECT THE ENVIRONMENT AND PROMOTE ENERGY INDEPENDENCE

AMOUNT REQUESTED FOR FY 2008: \$3,750,000

Clean Fuels and Electric Drive Bus Deployment (hybrid electric)

Objective: Support FTA's hybrid-electric incentive program through data collection and outreach in the area of fuel cell buses and use of hydrogen as a bus fuel.

Description: This is a follow-on project to current research projects that analyze the hurdles to the deployment of electric, hybrid electric, and hydrogen and fuel cell buses. Examples of project activities include:

- Electric Drive Bus Program Development - This program will continue efforts in advanced energy storage research and development, emerging off-board mobile power generation capabilities, and advancing deployments of a common hybrid propulsion system for transit buses and comparable platforms.
- Electric Drive Bus Program Coordination and Outreach - Continue technical support, outreach, and coordination efforts with the National Fuel Cell Bus Technology Development Program and hybrid bus developments, including data collection and outreach.

Outputs:

- Improvements in advanced energy storage, off-board mobile power generation capabilities, and deployment of hybrid propulsion system for transit buses and comparable platforms.
- Workshops and poster sessions, and collection of data on demonstrations of hybrid electric buses and fuel cell buses.

FY 2008 Funding: \$2,000,000

Rail Energy Conservation Improvements

Objective: This project will undertake research on technologies and method to reduce energy

consumption (electric or fuel) of rail systems.

Description: Rail systems consume considerable energy resources (either through the electric grid or through fuels) that are a substantial proportion of operating costs. Research will examine wayside energy storage substations, regulation and reduction of peak power demand, use of regenerated energy, and reducing voltage.

Outputs: Reduced energy consumption of rail systems including advancements in wayside energy storage substations, methods to reduce peak power demand, and regenerated energy technology.

FY 2008 Funding: \$1,000,000

Support for DOT Center for Climate Change

Objective: Protect the natural and built environment by supporting the DOT Center for Climate Change.

Description: The DOT Center for Climate Change and Environmental Modeling creates comprehensive and multi-modal approaches to reduce transportation-related greenhouse gases and to mitigate the effects of global climate change on the transportation network.

Outputs: Research reports on multi-modal issues.

FY 2008 Funding: \$150,000

Environmental Research Support for Transit Activities

Objective: Establish and share best practices to strengthen environmental streamlining and stewardship of transit planning and projects.

Description: SAFETEA-LU requires Metropolitan Planning Organizations (MPOs) to provide information about regional environmental trends related to transportation, and to coordinate long-term transportation planning with other agencies. The display of land use and other environmental information over the internet using Geographic Information Systems (GIS) is the most promising approach to meeting this challenge. FTA's environmental research will include the evaluation of: (a) the systems used by various MPOs; (b) the data displayed through those systems; and (c) the public satisfaction with the information provided.

Output: Written guidance on environmental streamlining and use of GIS to link transportation and land use planning.

FY 2008 Funding: \$600,000

RD&T PROGRAM: PROVIDE TRANSIT RESEARCH LEADERSHIP
AMOUNT REQUESTED FOR FY 2008: \$3,170,000

Expanded E-Government – “All” E-Gov Initiatives

Objective: Consolidate IT initiatives at the highest level possible in accordance with the President’s Management Agenda.

Description:

- Grants.Gov (and Interface) – Creates a single portal for all Federal grant customers to find and apply for grants online.
- IAE – The Integrated Acquisition Environment (IAE) initiative creates a secure business environment that facilitates and supports cost-effective acquisition of goods and services by federal agencies.
- Disaster.Gov – To help citizens and members of the emergency management community at the local, tribal, state, and Federal levels by improving public safety response through more effective and efficient interoperable data communications and to serve as a unified point of access for disaster preparedness and recovery.
- e-Rulemaking – Allows citizens to easily access and participate in the rulemaking process. This improves the access to, and quality of, the rulemaking process for individuals, businesses, and other government entities while streamlining and increasing the efficiency of internal agency processes.
- Geo-Spatial One Stop – Provides Federal and state agencies with single point of access to map-related data enabling the sharing of existing data to maximize geospatial investments to leverage resources and reduce redundancies.
- Business Gateway – The Business Gateway (“BG”), business.gov, will provide the Nation's businesses with a single, internet-based access point to government services and information to help businesses with their operations.
- Financial Management LoB – Initiative Vision: A government-wide financial management solution that is efficient and improves business performance while ensuring integrity in accountability, financial controls and mission effectiveness.
- Human Resources LoB – Initiative Vision: Government-wide, modern, cost effective, standardized, and interoperable Human Resource (HR) solutions to support the strategic management of Human Capital.
- Grants LoB – Initiative Vision: A government-wide solution to support end-to-end grants management activities that promote citizen access, customer service, and agency financial and technical stewardship.

Outputs: Single sources (Web-portals) of citizen, business, and government access to information on Federal grants, emergency preparedness, and acquisitions of products and services.

FY 2008 Funding: \$204,000

Technical Support for the Research Program

Objective: Continue to improve research management.

Description: This project will include Research Program tracking comprising evaluation of the overall program, individual project evaluations, external peer reviews, and reporting results. This enhances FTA efforts to ensure research projects meet R&D Investment Criteria.

Outputs: Annual measures, peer reviews, evaluations, and reports.

FY 2008 Funding: \$1,066,000

Transit Research Analysis Committee

Objective: Ensure transit research supports national goals.

Description: The Transit Research Analysis Committee (TRAC) at the National Academy of Sciences assesses the Federal role in transit research relative to the role and activities of others (private sector, universities, States, etc.), identifies high priority opportunities for FTA's research agenda with a focused set of theme areas based on industry challenges and FTA's strategic goals and core accountabilities, and suggests processes to facilitate the incorporation of industry stakeholders' views in FTA research programs.

Outputs: TRAC meetings and Letter Report recommendations to FTA.

FY 2008 Funding: \$250,000

Program Implementation Evaluation: Section 5310 Program, Job Access and Reverse Commute, and New Freedom Programs

Objective: Ensure that grant programs are meeting their objectives.

Description: Evaluation requirements for the JARC program, Section 5310 Program, and the New Freedom Programs have changed because of component or project additions. FTA is establishing performance measures for all three programs and needs to collect and analyze data to measure performance and evaluate implementation of the new coordinated planning requirements.

Outputs:

- The contractor will engage in data collection and analysis using minimum data elements to support reporting needs.
- The contractor will analyze collected data and issue a report that details FTA's progress toward meeting performance measures established for each program.
- The contractor will provide reports on spot reviews of program implementation.

FY 2008 Funding: \$400,000

Transportation Research Board Support

Objective: Inform customers of the results of research and demonstration activities through the sponsorship of transit-related workshops and special sessions.

Description: FTA will support the core transit activities of the Transportation Research Board (TRB). This includes the development of transit panels at the TRB annual meeting, TRB professional committee activities, and ongoing coordination and research dissemination through the Transportation Research Information Service (TRIS).

Outputs: Transit sessions at the TRB annual meeting, support of TRB transit committees, and continued availability of transit information on the Transportation Research Information Service (TRIS).

FY 2008 Funding: \$250,000

Analysis of Unresponsiveness Bias in NHTS

Objective: Gather and assess feedback from current and potential transit customers.

Description: Over a 12-month period in 2007 and 2008, the National Household Transportation Survey will contact 20,000 to 40,000 U.S. households to inquire about the travel behavior of household members. Funding supports analysis of the unresponsiveness bias in this survey.

Outputs: Increased knowledge of the public's transit needs and preferences.

FY 2008 Funding: \$100,000

Transit Conditions and Performance Report

Objective: Enhance the accuracy of transit data and funding projections; measure outcome goals more precisely.

Description: FTA will conduct an analysis of the condition, performance, and capital investment requirements of the nation's highways, bridges, and transit systems.

Outputs: A biennial report submitted to Congress.

FY 2008 Funding: \$300,000

Reauthorization SAFETEA-LU-2 Outreach

Objective: Present Congress with proposed Reauthorization that reflects the transit needs of the American public.

Description: In preparation for drafting its Reauthorization proposal, FTA will hold outreach sessions with transit customers, industry groups, and other stakeholders.

Outputs: Well-informed proposed Reauthorization, presented to Congress during FY 2008.

FY 2008 Funding: \$500,000

State Infrastructure Banks (Innovative Financing)

Objective: Evaluate states' use of innovative and debt financing techniques.

Description: This project will update transit activity and the use of state infrastructure banks to finance transit capital costs. A previous report was presented during FY 2004.

Outputs: A detailed report on innovative financing available at the close of FY 2008.

FY 2008 Funding: \$100,000

RD&T PROGRAM: TRANSIT COOPERATIVE RESEARCH PROGRAM
AMOUNT REQUESTED FOR FY 2008: \$9,300,000

Transit Cooperative Research Program

Objective: Focus research on issues significant to the transit industry with an emphasis on local problem-solving.

Description: TCRP focus areas include research in planning and service concepts; research in vehicles, equipment, facilities, and operations; and research in human resources, maintenance, policy, and administrative practices.

Outputs: Research projects and analysis in the priority areas of safety and security, policy and planning, specialized customer service, equipment and infrastructure, and fleet operations.

FY 2008 Funding: \$9,300,000

RD&T PROGRAM: NATIONAL TRANSIT INSTITUTE
AMOUNT REQUESTED FOR FY 2008: \$4,300,000

National Transit Institute

Objective: Develop and teach new methods and techniques to improve transit workforce performance and increase productivity in the workplace.

Description: NTI courses are conducted locally on subjects ranging from advanced technology and multi-modal planning to management development and training effectiveness. Transit trainers' workshops are conducted annually to bring together trainers and human resource specialists from industry to learn the latest techniques in training, and to share training experiences on the job.

Outputs: Evaluation and assessment of current National Transit Institute and Transit Safety Institute security courses to ensure that the courses are up to date and reflect current terrorism-related information.

FY 2008 Funding: \$4,300,000

RD&T PROGRAM: UNIVERSITY TRANSPORTATION CENTERS
AMOUNT REQUESTED FOR FY 2008: \$7,000,000

University Transportation Centers

Objective: Advance U.S. technology and expertise in the many disciplines comprising transportation through the mechanisms of education, research, and technology transfer at university-based centers of excellence.

Description: Funds provided under this program are transferred to and managed by DOT's Research and Innovative Technology Administration (RITA). The funds are combined with funding from the Federal Highway Administration to support the University Transportation Research program.

Outputs:

- University research aimed at addressing regional and national transportation problems.
- Academic research based on transit industry needs.

FY 2008 Funding: \$7,000,000

EXHIBIT V-3

**FEDERAL TRANSIT ADMINISTRATION
Support for Secretarial and Administration RD&T Priorities**

Policy Initiative	Supporting RD&T Program(s)	FY 2008 Request (\$000)
<i>Secretarial Priorities</i>		
E-911	Not Applicable	0
Highway Incident Management Improvements	Not Applicable	0
Nationwide Differential Global Positioning System (NDGPS)	Not Applicable	0
Congestion Relief	<p>Several FTA projects are directed at addressing surface transportation congestion relief. A brief description of each follows.</p> <p>Transportation Planning Capacity-Building Program (\$200,000) – This project promotes transit as a congestion reduction measure and an investment priority. It will support innovative practice and continued compliance with the planning provisions of SAFETEA-LU.</p> <p>Rail Programs (\$1,000,000) – This project investigates methods to improve rail operations. Projects include:</p> <ul style="list-style-type: none"> • Electronic Train Management Systems (ETMS) for Commuter Rail Operations - ETMS has been successfully used by freight railroads to improve operations. ETMS is a lower-cost communications based system that enforces movement authority and speed restrictions and can also provide real-time customer information. • Benefits of Automated Metro Operations - This study would examine the benefits of fully automated metro operations in the United States. Foreign systems which are operating in fully automated mode have demonstrated improved reliability of service, more frequent service and reduced operating costs. • Track Inspection - In summer months, host railroads often issue heat orders to rail operators forcing them to reduce travel speeds. However, heat orders are determined by host railroads, and their criteria for issuing them vary by the owner. Current methods that are commonly used to inspect the tracks do 	\$4,500

	<p>not provide real-time monitoring capability. Without knowing the exact stress in the rails, railroads commonly issue heat orders as a precaution that may not be necessary. This project will examine various alternatives.</p> <p>Sponsorship and Participation in Transit Industry Forums (\$150,000) – This project supports meetings of national profile with a variety of transit industry stakeholders and partners to communicate advances and developments in planning requirements that lead to improved project level analysis.</p> <p>Statewide Decision-Making Workshops Support (\$200,000) – These workshops assist governors and their cabinets as they direct growth and development in their states, with transit identified as a priority concept.</p> <p>Congestion Initiative Expert Support (\$1,700,000) – This project provides expert contractor support as needed to facilitate the implementation of specific congestion reducing projects in one or more major metropolitan areas.</p> <p>Demonstration of Methods, Techniques and Technologies to Increase Transit Ridership and Reduce Congestion (\$1,000,000) - Funding for this project will sponsor a competition seeking research or demonstration proposals for technologies and practices that are most likely to increase ridership and/or reduce congestion through public transportation.</p> <p>Bus Rapid Transit Improvements (\$750,000) - Funding will be used to provide tools to transit agencies that reduce congestion, with particular emphasis on Bus Rapid Transit (BRT). The adoption of Bus Rapid Transit is considered an important tool to reduce congestion in major corridors. A guideline manual will assist in the adoption of BRT.</p>	
Impacts on Congestion	Major Investment Planning and Methods (\$400,000) - Research conducted as part of this effort is intended to improve the technical tools used to evaluate the impacts of transportation investment on highway congestion. Current practice has not produced reliable information. FTA seeks	\$400

	to bridge the gap by improving the methods used in developing travel forecasts to better account for changes in highway performance resulting from transit investments.	
Major Corridor Capacity Improvements and Enhancements	<p>Several FTA projects are directed at advancing interstate project development and corridor projects that are likely to reduce congestion. A brief description of each follows:</p> <p>Major Capital Projects Roundtables (\$130,000) - The Major Capital Projects Roundtables are three-day, semi-annual meetings held in cities with on-going major capital projects in significant stages of construction. Funding will continue to support a forum for open discussion of lessons learned in transit design and construction of major capital projects. FTA will learn about current needs and concerns and take appropriate actions to provide technical assistance and improved service to our customers. These studies develop tools for FTA to more precisely target project management oversight resources and for grantees to better estimate costs of Light Rail, Heavy Rail and Commuter Rail projects.</p> <p>Rail Cost Studies (\$350,000) - These cost studies will be used by the transit community in accessing project cost estimates trends in terms of the national experience versus that of an individual project.</p>	\$480
Committee on the MTS	Not Applicable	0
Freight and Port Capacity	Not Applicable	0
Next Generation Air Transportation	Not Applicable	0
International Transportation Liberalization	Not Applicable	0
Freight Systems Impact	Not Applicable	0
Project Review Enhancements	Not Applicable	0
Emergency Preparedness and Disaster Response	Several FTA projects are directed at addressing emergency preparedness and disaster response requirements and obligations necessary to prepare and recover the transportation network if affected by intentional harm or natural disaster(s). A	\$5,620

	<p>brief description of each project follows.</p> <p>Safety and Emergency Preparedness Technologies (2,000,000) - This project will fund research projects examining technologies that improve transit safety or emergency preparedness.</p> <p>Bus Rapid Transit (BRT) Safety Issues (\$500,000) - This project will support FTA's evaluation of BRT projects aimed to providing safety criteria by which FTA can more effectively assess safety planning and implementation, supporting the identification of priority corridors.</p> <p>Connecting Communities (\$500,000) – These forums are two-day regional workshops designed to better prepare transit and transportation systems, emergency service agencies, local, county, regional and tribal governments, and other stakeholders for emergency situations through the coordination, communication, planning and practice of safety and security measures. The Forums focus on the role of transit systems as a resource and partner in local and regional emergency management.</p> <p>Disaster Response and Recovery Support (\$200,000) – This project provides contractor assistance to localities and operators available immediately for planning and technical support in the event of an emergency or natural disaster.</p> <p>Immediate Response to Transit Emergencies (\$750,000) – This project will ensure as well as provide greater oversight in responding to emergency requests on safety and security issues. It will allow FTA under exigent circumstances to provide emergency technical assistance to transit systems around the country.</p> <p>Resource Links for Top 20 (\$150,000) – This project involves the linking of new and updated specific resource and reference documents to each of the Top 20 Security Action Items. These new, state-of-the-art documents provide the latest detailed information on the security action item and the means for implementation.</p> <p>Evaluation, Development and Delivery of</p>	
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	<p>Current Safety and Security Courses (\$400,000) - This project will assist FTA, in collaboration with DHS, to determine specific approaches that address safety and security related issues.</p> <p>Fire Materials Testing (\$200,000) - The Fire Safety Materials Testing Program will help to mitigate any hazard related to fire on transit vehicles, through testing and analysis of the most current fire safety technology.</p> <p>FTA Emergency Contact Database (\$720,000) – This project allows FTA to communicate and provide timely safety and security updates to the transit community.</p> <p>Transit Security Roundtable (\$200,000) - The Roundtables are designed to encourage an exchange of information and experiences among the safety and security chiefs from the nation’s largest transit agencies, assisting participants in their emergency planning.</p>	
Public Private Partnerships	Public Private Partnership Initiative (\$750,000) – This project will build upon the research conducted during FYs 2006 and 2007 and documented in a report to Congress. Funding during FY 2008 will begin the implementation phase of the Public Private Partnership Pilot Program (Penta-P).	\$750
<i>President’s Second Term Priority</i>		
GPS Modernization	Not Applicable	0
International Trade Data System	Not Applicable	0
Hydrogen Research Initiative	Clean Fuels and Electric Drive Bus Deployment (\$2,000,000) - This project will analyze the hurdles to deployment of electric, hybrid electric, and hydrogen and fuel cell buses. It will support data collection and outreach for FTA’s Fuel Cell Bus Technology Development Program.	\$2,000

EXHIBIT V-4

FEDERAL TRANSIT ADMINISTRATION Implementation of the R&D Investment Criteria

Research and Development Investment Criteria

The President's Management Agenda includes a special initiative to develop better Research and Development (R&D) Investment Criteria. These criteria were created by the Office of Management and Budget to evaluate research at a project level and are a companion to OMB's Program Analysis Rating Tool (PART), used to evaluate Federal programs. The R&D investment criteria have three aims: (1) improve program management; (2) inform funding decisions; and (3) increase public understanding of the benefits of Federal research.

FTA has used the Research and Development Investment Criteria set forth by OMB as a basis for development of its project evaluation system. FTA's investment criteria focus on four main areas: relevance, quality, performance, and additional criterion for developing technologies that address industry issues. Using these criteria, FTA positions itself as a catalyst for change in how the country views and uses transit services.

I. Relevance

FTA has developed a Strategic Research Plan for transit and its R&D programs with five clear goals and priorities:

1. Increase ridership;
2. Improve capital and operating efficiencies;
3. Improve safety and emergency preparedness;
4. Protect the environmental and promote energy independence; and
5. Provide transit research leadership.

The plan will strengthen FTA's focus both on tangible outcomes that make a difference for the transit industry and on improving management and accountability of its National Research program.

In FY 2004, FTA established the Transit Research Analysis Committee (TRAC) at the National Academy of Sciences' Transportation Research Board (TRB) to externally review FTA's R&D program. The TRAC has produced two letter reports of recommendation to FTA. The DOT's Research, Development and Technology Planning Team also reviewed FTA's program in FY 2005 and FY 2006. The TRAC will meet twice in FY 2007 and produce a letter report of recommendations to FTA.

The development of a realistic and achievable Strategic Transit Research Plan that includes input from the transit industry and other key stakeholders and was released on September 30, 2005. In FY 2004 and 2005, FTA held various stakeholder meetings that were specifically used to set the agency's R&D agenda and assess its impacts on transit ridership. During FY 2006, The Office of Research, Demonstration, and Innovation completed a draft research program plan, that details strategic areas for FTA investment in FY 2008 and beyond.

II. *Quality*

In FY 2006, 46 projects totaling over \$40 million were earmarked by Congress to receive FTA R&D funding. FTA utilized the remaining \$14 million of the \$54 million appropriation to support projects that furthered DOT/FTA goals, and awarded the funds based on FTA's competitive procurement basis.

Recognizing its responsibility for delivering common sense transit solutions for communities across America, FTA is undertaking measures to continue to improve the performance of the research program and to ensure that it addresses the many challenges facing the transit industry. To ensure that the program is adequately focused on the challenges of the transit industry, FTA is supporting the National Academy of Sciences' Transportation Research Board's Transit Research Analysis Committee (TRAC). The TRAC is charged to perform three tasks:

1. Assess the Federal role in transit research relative to the role and activities of others (private sector, universities, States, etc.) engaged in transit research.
2. Identify high priority opportunities for FTA's research agenda with a focused set of theme areas based on industry challenges and FTA's strategic goals and core accountabilities.
3. Suggest processes to facilitate the incorporation of industry stakeholders' views in FTA research programs.

The TRAC supports the integrity of FTA's research agenda via its implementation of a Research Project Evaluation system designed to ensure cost effective results and measurable outcomes. This project evaluation system will ensure that proposed research projects are selected based on an appropriate set of criteria that promotes consistency of evaluations and performance during project execution. In FY 2008, the TRAC will continue to serve as an independent expert panel that will provide a "sounding board" for the overall FTA research program.

FTA's Office of Research, Demonstration, and Innovation developed a scorecard to rate prospective projects based on how well they meet DOT goals and the R&D investment criteria in a two-level project evaluation process. The first level assists in the selection of new discretionary projects. At this level, projects are evaluated for their estimated relevance and results using a graded scorecard system. Once a project has been approved, it enters the second level evaluation process. During the second level, a project evaluation plan is incorporated into the project's work plan as part of the approval process. This requires the collection and analysis of data to determine a project's results and utility.

These actions help to ensure that FTA prioritizes its research based upon an analysis of industry challenges and the best opportunities for success.

III. Performance

In FY 2004, the FTA report entitled, "Report on FTA Research Program Expenditures, Advancement of Transit Initiatives and Research Results Implementation to the House and Senate Appropriations Committees" was created. FTA's Office of Research, Demonstration, and Innovation has produced an annual report outlining the research programs accomplishments during FY 2006.

In FY 2006, FTA continued work on the development of performance measures for the National Research Program. OMB evaluated FTA Research Programs as part of the FY 2008 Budget. The research program received an effective rating, with a Program Analysis Rating Tool (PART) score of 95%.

IV. Criteria for R&D Programs Developing Technologies that Address Industry Issues

FTA has drafted a multi-year research program plan identifying areas for strategic investment. FTA continues to work towards the development of measurable milestones, performance plans, and reports that include 'off-ramps' and transition points to be used in identifying whether, when, and how aspects of a program or project may be shifted to the private sector.

Implementation of the R&D Investment Criteria		
R&D Investment Criteria	How Applied	Actions Reflected in FY 2008 Request
Relevance	<p>FTA has developed a Strategic Research Plan for its R&D programs with five clear goals and priorities:</p> <ul style="list-style-type: none"> • Increase ridership; • Improve capital and operating efficiencies; • Improve safety and emergency preparedness; • Protect the environmental and promote energy independence; and • Provide transit research leadership. <p>The plan intends to allow FTA to continue its focus on tangible outcomes that make a difference for the transit industry and on improving management practices and accountability of its National Research program.</p>	<p>The TRAC provides an independent review and assessment of the needs of the public transportation industry that could be met through future investment in a national research and technology program. The committee advised FTA as it developed a strategic agenda for transit research and identified the roles that FTA and industry stakeholders played in carrying out the agenda.</p> <p>The committee advised FTA on the following:</p> <ul style="list-style-type: none"> • The Federal role in transit research, relative to the roles and activities of others (private sector, TCRP, states, universities, etc) engaged in transit research;

	<p>In FY 2004, FTA established the Transit Research Analysis Committee (TRAC) at the National Academy of Sciences' Transportation Research Board (TRB) to externally review FTA's R&D program. The TRAC has produced two letter reports of recommendation to FTA. The DOT's Research, Development and Technology Planning Team also reviewed the FTA program in FY 2005 and FY 2006. The TRAC will meet twice in FY 2007 and produce a letter report of recommendations to FTA.</p> <p>The development of a realistic and achievable Strategic Transit Research Plan has been developed with input from the transit industry and other key stakeholders and was released on September 30, 2005. In FY 2004 and 2005, FTA held various stakeholder meetings that were specifically used to both set the agency's R&D agenda and assess the possible impact(s) of the agency's R&D activities on potential riders.</p>	<ul style="list-style-type: none"> • High Priority opportunities proposed by the agency; and • Processes that should be in place to ensure that the FTA receives the input and cooperation of transit research stakeholders in developing a Federal research program.
<p>Quality</p>	<p>With its discretionary R&D program funds, FTA selected projects based on their ability to support DOT/FTA goals. All project awards are made on FTA's competitive procurement basis.</p> <p>Recognizing its responsibility for delivering common sense transit solutions for communities across America, FTA is undertaking measures to continue to improve the performance of the research program and to ensure that it fulfills transit industry needs. To ensure that the</p>	<p>FTA's Office of Research, Demonstration, and Innovation developed a scorecard to rate prospective projects as to how they meet DOT goals and the R&D investment criteria in a two-level project evaluation process. The first level assists in the selection of new discretionary projects. At this level, projects are evaluated for their estimated relevance and results using a graded scorecard system. Once a project has been approved it enters the second</p>

	<p>program is adequately focused on the needs of the transit industry, FTA is supporting the National Academy of Sciences' Transportation Research Board's Transit Research Analysis Committee (TRAC). The TRAC is charged to perform three tasks:</p> <ol style="list-style-type: none"> 1. Assess the Federal role in transit research relative to the role and activities of others (private sector, universities, states, etc.) engaged in transit research. 2. Identify high priority opportunities for the FTA research agenda with a focused set of theme areas based on industry needs and FTA's strategic goals and core accountabilities. 3. Suggest processes that should exist to ensure that FTA receives the views and cooperation of industry stakeholders in developing its research program on an on-going basis. <p>The TRAC supports the integrity of FTA's research agenda via its implementation of a Research Project Evaluation system designed to ensure cost effectiveness results and measurable outcomes. This project evaluation system will ensure that proposed research projects are selected based on an appropriate set of criteria that promotes consistency of evaluations and performance during project execution.</p>	<p>level. During the second level a project evaluation plan is incorporated into the project's work plan as part of the approval process. This requires projects to collect and analyze data, as appropriate, to determine a project's results and usefulness.</p> <p>These actions help to ensure that FTA prioritizes its research based upon an analysis of industry needs and the best opportunities for success; that successes are understood from a cost-benefits perspective; and, that barriers to the deployment of these best practices and technologies will be overcome.</p> <p>In FY 2008, the TRAC will continue to serve as an independent expert panel that will provide a "sounding board" for the overall FTA research program.</p>
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<p>Performance</p>	<p>FTA is in the process of identifying performance metrics for its research programs. Inputs, such as administrative expenses, are accounted for and tracked separately. As a follow-on to this Strategic Plan, FTA has developed a Multi-Year Program Plan to define schedules and areas for strategic investment. FTA also uses a Quarterly Review process to examine the project management of all of its research projects and will produce an annual report to document performance.</p>	<p>In FY 2004, the “Report on FTA Research Program Expenditures, Advancement of Transit Initiatives and Research Results Implementation to the House and Senate Appropriations Committees” was produced.</p> <p>The Office of Research, Demonstration and Innovation completed a draft annual report in January of 2007 evaluating research program results during FY 2006.</p> <p>In FY 2006, OMB’s Program Analysis Rating Tool(PART) evaluated FTA Research Programs as part of the FY 2008 budget process. The research program was rated effective, the highest possible rating, with a score of 95%.</p>
<p>Criteria for R&D Programs Developing Technologies That Address Industry Issues</p>	<p>FTA continues its work to develop a multi-year research program plan with measurable milestones and performance plans and reports that include ‘off-ramps’ and transition points to be used in identifying whether, when, and how aspects of a program or project may be shifted to the private sector.</p> <p>FTA’s Office of Research, Demonstration, and Innovation has developed a scorecard to rate prospective projects in terms of uniform benefit indicators. The FTA scorecard will allow comparisons of expected benefits across programs and projects, as well as allowing for an assessment of how well a project or program meets DOT goals and the R&D investment criteria.</p>	

	<p>Once a project is approved through the scorecard, a project evaluation plan is required to be incorporated into the project's work plan as part of the approval process. When the evaluation plan is activated in the development phase of the project, data are collected and analyzed to measure and evaluate progress. At the culmination of the development phase, a milestone review guides FTA in determining whether to continue the project.</p>	
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