



U.S. Department
of Transportation
**Federal Transit
Administration**

REGION V
Illinois, Indiana,
Michigan, Minnesota,
Ohio, Wisconsin

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January 30, 2014

Subject: Section 5339 Bus and Bus Facilities Formula Program

Dear Colleague:

I am writing to provide program information and Region V's electronic application guidance for the 5339 Bus and Bus Facilities Program, a new program enacted as part of Moving Ahead for Progress in the 21st Century (MAP-21). As you may know, this program provides capital funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. Specifically, we want to clarify the apportionment of program funds and recipient eligibility.

Apportionment of Program Funds

There are two types of apportionments under the Section 5339 program:

1. The National Distribution allocation for FY 2013 is apportioned to States (\$1,247,500 to each State) and Territories (\$499,000 to each territory). This is a fixed amount and can be used anywhere in the State or Territory. The States may transfer these funds to the 5307 Urbanized Area Formula Grants and 5311 Formula Grants for Rural Areas programs for administrative purposes, but the funds retain the 5339 eligibility. Funds transferred to 5307 or 5311 are not eligible for operating assistance or rail projects. If 5339 program funds are transferred to 5307, a direct recipient of 5307 funding may apply for their 5339 allocation. States must provide a letter to Region V requesting a transfer of the National Distribution funds, detailing to which program funds are to be transferred, the amount that will be transferred to each UZA for the 5307 program or to the State for the 5311 program. The corresponding account classification codes must also be included in the letter.

Contact your Region V grants manager for more information and procedures for requesting inter-program transfers. Each transfer requires approval from regional and headquarters FTA staff.

2. Funds are apportioned separately for urbanized areas. In large urbanized areas (populations of 200,000 or more), designated recipient(s) are responsible for administering the program, including applying for the apportionment funds. A grantee in a large UZA cannot apply directly unless they are a 5307 designated recipient. Either they should have a 5307 Designated Recipient Letter on file or have a new 5339 or 5307 Designated Recipient Letter signed by the Governor and transmitted to Region V. If a grantee in a large UZA does not have a 5307 designated recipient letter on file, they must have the governor sign a 5339 or 5307 designated recipient letter on their behalf. The governor's designation letter must be attached in TEAM

and transmitted to Region V.

For the small UZAs (populations of 199,000 or less), the funds are apportioned to the State, who is responsible for determining the suballocation process and amounts that eligible small UZAs will receive. The State will apply directly to FTA for funding on behalf of subrecipients in the small UZAs.

The urbanized area apportionment under this program cannot be transferred to any other program for administrative purposes, nor are there other eligible direct recipients aside from those located in large UZAs.

Application Directions for Large UZAs with Multiple Designated Recipients

In order to administer 5339 program grants to multiple designated recipients in a single large UZA, FTA Region V requests that a split letter detailing the amount of a respective large UZA's fiscal year apportionment will be awarded to each designated recipient with that UZA. The split letter should indicate to Region V that all designated recipients in the large UZA are in agreement of the allocation of the UZA's apportionment.

For more information and procedures for submitting a split letter for a large UZA, please contact your Region V grants manager.

If you have any questions, please do not hesitate to contact your Region V grants manager.

Sincerely,

A handwritten signature in black ink, appearing to read "Marisol Simon". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Marisol Simon
Regional Administrator