



FEDERAL TRANSIT ADMINISTRATION

# **2016 SSO Program Workshop**

## **49 CFR Part 674 Certification Legal and Financial Independence**

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**July 19, 2016**



U.S. Department of Transportation  
Federal Transit Administration

# Overview

- Background
- Part 674 Requirements:
  - Legal Independence
  - Financial Independence
  - No overlapping transportation service

# Background

- Legal and financial independence
  - Ensures the State carries out its primary responsibility for RTAs safety:
    - Free from outside control or influence
    - With autonomy in day-to-day decision-making
    - Without conflicting accountabilities or responsibilities for the performance, budget or reputation of the RTAs

# Legal Independence

- *Legal independence* means:
  - The SSOA has no legal connections or relationships with the RTAs in its jurisdiction that influence its ability to oversee public safety
    - Examples of legal connections or relationships include:
      - Shared reporting relationships between the SSOA and RTAs in its jurisdiction
      - SSOA membership on RTAs board of directors
      - SSOA legal responsibility for approving RTAs contracts, projects or budgets, etc.
      - Shared steering committees or development boards

# Legal Independence

- *Legal independence* is demonstrated by:
  - Organization charts and other documentation showing legal separation in organizational and reporting relationships
  - Disclosures and elimination of, or mitigations in place for, any legal connections and potential conflicts:
    - New reporting relationships
    - Recusals, disclosure, use of external consultation
    - Annual review of potential conflicts

# Financial Independence

- *Financial independence* means:
  - The SSOA has no financial connections or relationships with the RTAs in its jurisdiction that influence its ability to oversee public safety
  - Examples of financial connections include:
    - Shared funding streams, shared budgets, shared accountability for program costs; grantee relationships; and direct funding of salaries or programs

# Financial Independence

- *Financial independence* is demonstrated by:
  - Documentation clarifying the absence of financial connections between the SSOA and each RTAs in its jurisdiction
  - Disclosure and elimination of, or mitigation for, potential conflicts
  - Legal prohibitions on using funding from the RTAs in the State's SSO program

# No Overlapping Service

- *No overlapping transportation service* means:
  - The SSOA cannot provide transportation services that overlap or compete with any RTAs in the State's SSO program



# No Overlapping Service

- *No Overlapping Service* is demonstrated by:
  - Letter or certification that the SSOA does not provide overlapping service
  - Description of service provided by the State that connects to a facility or station in the RTAs service area

# Questions?

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