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of Transportation
**Federal Transit
Administration**

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REGION 10 BULLETIN NO: 2012-04

Subject: Overview of FY2012 Appropriations

Program Area: Grants

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This is a letter from Peter M. Rogoff, the Administrator for the Federal Transit Administration (FTA) dated January 20, 2012:

This letter provides an overview of FTA's FY2012 appropriations along with a calendar of our discretionary programs planned for the coming year. In an era of fiscal austerity, the Obama Administration is committed to supporting responsible budgets that reduce our deficit and eliminate waste wherever possible while continuing to promote growth and innovation in all sectors of our economy, including public transportation. The President has stated repeatedly that enhanced investment in transportation projects, including transit projects large and small, is essential to our nation's economic growth and job creation in both the short and long term.

The Fiscal Year 2012 Department of Transportation Appropriations Act has now been signed into law. While the amounts appropriated for the FTA are well below the amounts sought in President Obama's budget request, the approximately \$10 billion in funding we received for 2012 is on par with funding levels in fiscal years 2010 and 2011, enabling us to continue to support our grantees and invest in transit projects of local, regional, and national significance. To review the fiscal year 2012 funding levels, see the FTA Fiscal Year 2012 Apportionments, Allocations, and Program Information contained in our Federal Register notice of January 11, 2012 (<http://www.gpo.gov/fdsys/pkg/FR-2012-01-11/pdf/2012-249.pdf>).

The expiration of the SAFETEA-LU law poses a serious complication to our ability to obligate all the funds provided in the 2012 Appropriation Act. SAFETEA-LU includes the core legal authorities for FTA programs to operate, including our authority to draw funds from the Mass Transit Account of the Highway Trust Fund. Ever since the law expired on Sept. 30, 2009, Congress has passed a series of short term extensions, the most recent of which will expire on March 31, 2012. Since this extension only provides us roughly half a year of spending authority, FTA can presently allocate only about half the funds provided in the Appropriations Act. Once Congress provides us with the authority for the remainder of the year, we will be able to allocate the remaining

appropriated funds. There are two exceptions to this half-year limitation: The \$2 billion Capital Investment Grants program (New Starts) is fully funded for the fiscal year as is FTA's research program. These exceptions stem from the fact these two programs do not derive their monies from the Trust Fund.

Making things even more complicated is the fact that Congress, in extending legal authorities for the remainder of the year, could alter the rules governing existing programs, including the manner in which these funds are distributed and the allocation of dollars between programs. We understand that it's a complex picture and one that does not lend itself to good long-term planning. Please know, however, that Secretary LaHood and I have been continually calling on Congress to pass a robust, multiple-year authorization bill so as to eliminate this uncertainty and put taxpayer dollars to work rapidly to improve our transit systems, create jobs, and accelerate our economic recovery.

I'd like to call your attention to a few additional key items in this year's budget.

Funding Flexibility to Cover Fuel Costs. Under the provisions of the Appropriations Act, the FTA may treat fuel costs for vehicle operations, including utility costs for the propulsion of vehicles, as a capital maintenance item for grants made in FY 2012 under the Urbanized Area Formula Program. However, the Act also caps the amount that may be used under this new authority by all grantees collectively at \$100 million. This new initiative does not provide grantees with extra dollars for these expenses over and above their usual apportionment. Rather, it will provide grantees with additional flexibility in how they may use their usual apportionments in 2012. FTA will be required to cap the level of flexibility that each participating grantee may use to ensure that the aggregate utilization nationwide does not exceed \$100 million. Treatment of these costs as capital maintenance items means that they may be eligible for reimbursement under this new authority at an 80/20 matching rate. In contrast, fuel costs are currently eligible for reimbursement as an operating expense for UZAs under 200,000 in population, but with a 50% match. Please note that we will distribute these funds by formula only to grantees that indicate a desire and ability to obligate them by the end of FY2012. Please watch for an upcoming announcement with more details at www.grants.gov.

Promoting Energy Efficiency and Sustainability. The 2012 budget does not fund a fourth round of TIGGER grants for energy efficiency and greenhouse gas reduction. However, we will continue to support innovative energy efficiency projects and encourage the use of state-of-the-art technologies through our discretionary State of Good Repair grants and Livability grants, which are subsets of the Bus and Bus Facilities Program.

Continued Support for Military Veterans. Building on the success of our new Veterans Transportation and Community Living Initiative, we will continue to use discretionary dollars to improve access to transportation for military veterans and their families. In addition to capital funds from the Bus and Bus Facilities Program, we will also make up to an additional \$5 million available in demonstration funds for program development costs that would otherwise be ineligible for capital grants.

Below, please find a table detailing the budget for 2012 by major program. The actual apportionments under these programs can be found in the Federal Register notice cited above or at the FTA website (http://www.fta.dot.gov/grants/12853_14254.html). Also below is a schedule for our discretionary grant competitions for the coming year. I encourage all eligible grantees to apply for the programs that best address their needs.

Finally, on behalf of the President, the Secretary, and myself, I want to thank you and your staff for the service you provide to the American public every day. We know that our transit providers are facing extraordinary stresses as you seek to serve a growing number of riders in a very lean funding environment. As I have in the last couple of years, I look forward to continuing my travels around the country to hear from you how the FTA can better assist you in serving our customers—the transit-riding public.

Table 1. Summary of FTA FY2012 Formula Funds (\$000)

PROGRAM		FY12 FULL AMOUNT	AMOUNT AVAILABLE THROUGH 3/31/12 ¹	FY11 FULL AMOUNT
Urbanized Area Grants		4,160,365	2,280,481	4,151,709
Fixed Guideway Modernization		1,666,500	831,257	1,663,032
Metropolitan Transportation Planning		93,877	46,926	93,691
Statewide Transportation Planning		19,612	9,957	19,571
Nonurbanized Area		465,000	257,730	464,032
Elderly and Individuals with Disabilities		133,500	67,055	133,222
Rural Transit Assistance		9,300	4,106	9,280
Job Access and Reverse Commute		164,500	95,047	164,157
New Freedom Program		92,500	54,406	92,307

¹ Because contract authority is available only through 3/31/12, approximately one-half of the FY2011 funding level is available for each program. FTA will apportion or allocate any additional contract authority that Congress may provide during FY2012.

Table 2. FY2012 Discretionary Programs—Proposed Schedule

<i>Program</i>	<i>2012 Full-Year Funding (\$000)¹</i>	<i>2011 Funding Availability (\$000)</i>	<i>Anticipated NOFA Publication</i>	<i>Public Announcement of Allocation³</i>
<i>Bus and Bus Facilities</i>				
<i>State of Good Repair</i>	650,000	750,000	Jan. 2012	Early July 2012
<i>Livability</i>	125,000	150,000	Jan. 2012	Early July 2012
<i>Veterans Transportation & Community Living²</i>	25,000	30,000	Jan. 2012	Late July 2012
<i>Clean Fuels</i>				
<i>Clean Fuels</i>	51,500	51,500	Jan. 2012	Late July 2012
<i>Other Programs</i>				
<i>Alternatives Analysis</i>	25,000	25,000	Feb. 2012	August 2012
<i>Tribal Transit</i>	15,000	15,075	Feb. 2012	August 2012
<i>Over-the-Road Bus</i>	8,800	8,800	Mar. 2012	August 2012

¹ Because contract authority is available only through 3/31/12, approximately one-half of the FY2011 funding level is available for each program. FTA will apportion or allocate any additional contract authority that Congress may provide during FY2012.

² FTA proposes supplementing the Veteran's Transportation program with up to an additional \$5 million in research funds for program development costs.

³ Precise application deadlines will be included in each NOFA published in the Federal Register.

Peter M. Rogoff
 Administrator

For further information, contact Region 10's Linda Gehrke at 206-220-4463 or email linda.gehrke@dot.gov.

Sincerely,

for R.F. Krochalis
 Regional Administrator