DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

FTA Fiscal Year (FY) 2015 Apportionments, Allocations, and Program Information

AGENCY: Federal Transit Administration (FTA), DOT.

ACTION: Notice.

SUMMARY: On December 16, 2014, President Obama signed the Consolidated and Further Continuing Appropriations Act, 2015 (FY 2015 Appropriations) which provided $11.008 billion in new budget authority including a full fiscal year's funding for the Federal Transit Administration's (FTA) programs funded from the General Fund of the Treasury, which funds its administrative expenses as well as its Research, Technical Assistance and Training programs, Capital Investment Grants program, and Grants to the Washington Metropolitan Area Transit Authority. The FY 2015 Appropriations Act follows several continuing resolutions that provided funds for these programs through December 15, 2014.

The Highway and Transportation Funding Act of 2014 extended FTA's contract (budget) authority to carry out its formula assistance programs only through May 31, 2015. The act pro-rated the amount of budget authority available for the period October 1, 2014 through May 31, 2015 based on an anticipated full FY 2015 total of $8.595 billion. As a result, FTA may apportion only 8/12th or $5.722 billion in contract authority at this time. When combined with the full-year funding from the General Funded programs listed above, FTA is apportioning or allocating in this notice a total of $8.136 billion of the $11.008 billion of new budget authority

provided in the FY 2015 Appropriations. Congress will have to extend the authorization for public transportation beyond May 31, 2015, before additional contract authority can be provided for the formula assistance programs.

FTA annually publishes one or more notices apportioning funds appropriated by law. This notice apportions and provides information on the FY 2015 funding currently available for FTA assistance programs, provides program guidance and requirements, and information on several program issues important in the current year. This notice also provides information on FTA's discretionary programs and forthcoming program guidance.

FOR FURTHER INFORMATION CONTACT: For general information about this notice contact Jamie Pfister, Director, Office of Transit Programs, at (202) 366-2053. Please contact the appropriate FTA Regional Office for any specific requests for information or technical assistance. A list of FTA Regional Offices and contact information is available on the FTA website under the heading "Regional Offices" at http://www.fta.dot.gov. An FTA headquarters contact for each major program area is included in the discussion of that program in the text of the notice.

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I. Overview

On October 1, 2012, the Moving Ahead for Progress in the 21st Century Act (MAP-21) (Pub. L. 112-141) authorized the Federal Transit Administration's (FTA) public transportation assistance programs for FYs 2013-2014. A notice announcing changes and implementation instructions in FTA programs in accordance with MAP-21 was published in the *Federal Register* on October 16, 2012. (See 77 FR 63669). On August 8, 2014, Congress passed the Highway and Transportation Funding Act of 2014 (Pub. L. 113-159) which extended MAP-21 authorizations as well as contract authority to carry out FTA's formula programs through May 31, 2015. On December 16, 2014, the FY 2015 Appropriations Act (Pub. L. 113- 235) was signed into law, providing a full fiscal year of funding for FTA's discretionary programs and its administrative expenses which are funded from the General Fund of the Treasury. Prior to December 16, 2014, Congress provided partial funding for FY 2015 through continuing resolutions (Pub. L. 113-164, Pub. L. 113-202, and Pub. L. 113-203). This notice apportions formula funds based on the Highway and Transportation Funding Act of 2014, which made 8/12th or $5.722 billion of the anticipated fiscal year 2015 total of $8.595 billion available through May 31, 2015. As a result, FTA may only apportion $5.722 billion to carry out FTA's formula programs at this time. Should Congress pass legislation that provides additional contract authority to support the formula programs for FY 2015, FTA will issue a notice apportioning any amount above the $5.722 billion up to $8.595 billion, which is the obligation limitation provided for such programs in the FY 2015 Appropriations Act. In addition, this notice provides funding information for FTA's FY 2015 discretionary programs, including $2.12 billion in new budget authority for FY 2015 Capital Investment Grant (CIG) Program allocations as well as prior year discretionary programs and their unobligated balances.

The FY 2015 Appropriations also provides $150 million in new budget authority for FY 2015 for grants to the Washington Metropolitan Area Transportation Authority and $37.5 million for the Research, Technical Assistance and Training Programs. Finally, this notice provides program information, including the status of MAP-21 implementation for many of the grant programs and other regulatory requirements.

II. FY 2015 Available Funding for FTA Programs

A. Funding Based on the Consolidated Appropriations Act, 2015

The FY 2015 Appropriations Act provides $ 2.41 billion in new budget authority for FTA's Capital Investment Grants program, Research, Technical Assistance and Training programs, Grants to the Washington Metropolitan Transit Authority and administrative expenses in FY 2015. In addition to $2.12 billion made available to carry out the Capital Investment Grants (CIG) program, the FY 2015 Appropriations Act directs FTA to use $27.98 million in FY 2011 or prior fiscal years unobligated discretionary bus and bus facilities funds for new bus rapid transit projects recommended in the President's FY 2015 budget submission to Congress provided that such funds are subject to the CIG Program requirements under 49 U.S.C. 5309. This brings the total funding available for CIG to $2.148 billion in FY 2015.

In addition, the Highway and Transportation Funding Act of 2014 provides $5.722 billion in contract authority derived from the Mass Transit Account of the Highway Trust Fund for the period October 1, 2014 through May 31, 2015 to carry out FTA's formula programs in FY 2015. This is in addition to over $7.92 billion in formula and bus funds that remain unobligated from prior fiscal years. FTA will issue another notice apportioning any additional FY 2015 contract authority for formula assistance programs Congress may provide beyond May 31, 2015.

B. Oversight Takedown

In order to conduct oversight activities in accordance with 49 U.S.C. 5338(i), 0.5 percent is set aside from the amounts available to carry out the Planning Programs (section 5305); the Enhanced Mobility of Seniors and Individuals with Disabilities Formula Program (section 5310); and the Rural Areas Formula Grants Program (section 5311). In addition, 0.75 percent is set aside from amounts made available to carry out the Urbanized Area Formula Grants Programs, and the High Intensity Fixed Guideway State of Good Repair Formula Program (section 5337(c)). Additionally, one percent of the amount made available to carry out the CIG Program (section 5309) as well as one percent of the amount available for Grants to the Washington Metropolitan Area Transit Authority (section 601 of the Passenger Rail Investment and Improvement Act of 2008 (Pub. L. 110-432)) is set aside for FTA oversight activities.

C. FY 2015 Formula Apportionments; Data and Methodology

FTA is publishing apportionment tables on its website for each program that reflects the full year appropriations less oversight take-downs, as applicable. FTA is continuing to use, as it did in FYs 2013 and 2014, urbanized area and demographic data from the 2010 Census. Tables displaying the funds available to eligible states, tribes, and urbanized areas have been posted on FTA's website at http://www.fta.dot.gov/apportionments.

1. National Transit Database and Census Data Used in the FY 2015 Apportionments

Consistent with past practices, the calculations for sections 5307, 5311, including 5311(j) ("Tribal Transit"), 5329, 5337, and 5339 programs rely on the most-recent transit service data reported to the National Transit Database (NTD), which in this case is the 2013 report year. In some cases where an apportionment is based on the age of the system, the age is calculated as of

September 30, 2014, which was the last day before FY 2015 began. Any recipient or beneficiary of either the section 5307 or section 5311 program funds is required to report to the NTD. Additionally, a number of transit operators report to the NTD on a voluntary basis. For the 2013 report year, the NTD includes data from 852 reporters in urbanized areas, 819 of which reported operating transit service. The NTD also includes data from 1,404 providers of rural transit service, which includes 124 Indian Tribes providing transit service.

The tiers of the sections 5303, 5305, 5307 and 5339 formulas that are based on population and population density continue to rely on data published by the 2010 Census, as required by law. Likewise, the tiers of the section 5311 formula that are based on rural population and rural land area are calculated using 2010 Census data.

The formulas for sections 5307, 5311, and 5311(j) include tiers where funding is allocated on the basis of the number of persons living in poverty, and the section 5310 formula allocates funding on the basis of the population of older adults and people with disabilities. The Census Bureau no longer publishes decennial census data on persons living in poverty and persons with disabilities. As a result, FTA uses the data for these populations available via the Census' American Community Survey (ACS).

The FY 2015 apportionments use data on low-income persons, persons with disabilities, and older adults from the 2008-2012 ACS five-year data set, which was published in December 2013. This data set provides the first estimates that are based on the new Urbanized Area boundaries from the 2010 Census. These data represent the most recent five-year ACS estimates that are available as of October 1st for the year being apportioned.

The NTD and census data that FTA used to calculate the apportionments associated with this notice can be found on FTA's website: www.fta.dot.gov/apportionments.

D. FY 2015 Discretionary Program Funding

1. Notices of Funding Availability

MAP-21 authorized several discretionary grant programs, such as the Transit-Oriented Development (TOD) Planning Pilot Program, Low or No Emissions Bus and Facilities Program, Tribal Transit Discretionary Program, and Passenger Ferry Program. FTA publishes individual Notices of Funding Availability (NOFAs), which contain specific application and eligibility information, for its discretionary programs announcing the availability of funds. However, in several cases, such as for the Workforce Development Program and the Tribal Transit Discretionary Program, FTA will use proposals received in response to the previously published FY 2014 NOFAs for purposes of allocating both FY 2014 and FY 2015 available funding. NOFAs are posted in Grants.Gov and on FTA's website once published in the *Federal Register*.

2. Research, Technical Assistance, and Training Program Funding

The FY 2015 Appropriations provides approximately $37.5 million for Research, Technical Assistance and Training program activities of which $30 million is available to carry out Research, Development, Demonstration, and Development projects under 49 U.S.C. 5312, and $3 million is available for Transit Cooperative Research Program activities under 49 U.S.C. 5313. In addition, $4 million is available for Technical Assistance and Standards Development under 49 U.S.C. 5314 and $500,000 is provided to carry out Human Resource and Training activities under 49 U.S.C. 5322(a) and (b). More information about these programs can be found in Section IV of this notice.

3. FY 2015 Capital Investment Grant Program Allocations

The Capital Investment Grant (CIG) Program (49 U.S.C 5309), which historically authorizes the New and Small Starts Programs and now includes the Core Capacity Improvement Program, is excluded from the NOFA process because the program has an ongoing project development and review process, and funding is allocated consistent with information already available to FTA. By way of this notice, FTA is publishing the FY 2015 CIG Allocations table (Table 7) to its website for approximately $2.12 billion available in new budget authority to carry out the program. These projects were included in the FY 2015 *Annual Report on Funding Recommendations for CIG Program* published on March 3, 2014. Pursuant to FY 2015 appropriations, in addition to funds appropriated to carry out the CIG program, $27.98 million in FY 2011 and prior year unobligated or recovered section 5309 (Discretionary Bus and Bus Facilities) funds are available to carry out bus rapid transit (BRT) projects subject to the requirements of the CIG program. More information about this program can be found in Section IV of this notice.

4. Unobligated Prior Year Discretionary Allocations

FTA is posting tables of prior year discretionary allocations that remain unobligated as of September 30, 2014 to its FY 2015 Apportionments web page. These tables can be found here: www.fta.dot.gov/apportionments and are numbered Tables 14-17. Each table contains information pertaining to the lapse date of these funds.

III. FY 2015 Program Highlights and Changes

A. MAP-21 Implementation

1. Guidance

A result of the MAP-21 authorization and in addition to regulatory activities, FTA is continuing to update program circulars to reflect MAP-21 changes and provide guidance for new and existing programs. Below is a chart of publication dates or expected publication dates for the program circulars. FTA publishes draft circulars for notice and comment, and takes into consideration all comments received prior to final publication. In the interim and until FTA publishes final program circulars, existing program circulars combined with the interim guidance in the October 16, 2012 apportionment notice can be used to administer the programs. FTA's electronic grant management system and financial systems both have been updated to reflect new programs and new codes provided by MAP-21. If there are additional questions about the major formula programs or grants, please contact your Regional Office or the Headquarters program contacts listed in Section IV of this notice.

Program	***Actual* Publication Date (for Notice and Comment)**	***Actual /* Expected Publication of Final Circular**
Urbanized Area Formula Grant Program (Section 5307)	*April 22, 2013*	*January 16, 2014*
Enhanced Mobility for Seniors and Individuals with Disabilities (Section 5310)	*July 11, 2013*	*June 6, 2014*
Rural Areas Formula Program (Section 5311)	*September 26, 2013*	*October 24, 2014*
State of Good Repair Formula Program	*March 4, 2014*	*January 28, 2015*

(Section 5337)		
Bus and Bus Facilities Formula Program (Section 5339)	*July 30, 2014*	**Winter/Spring 2015**
Research, Technical Assistance and Training Program: Application Instructions and Program Management Guidelines	*August 13, 2014*	**Winter/Spring 2015**

2. Rulemakings

On June 2, 2014, FTA and the Federal Highway Administration (FHWA) published a Notice of Proposed Rulemaking (NPRM) on Statewide and Nonmetropolitan Transportation Planning: Metropolitan Transportation programing in the *Federal Register* requesting comment on proposed revisions to the regulations governing the development of metropolitan transportation plans and programs for urbanized areas, State transportation plans and programs, and the congestion management process. The changes reflect the new requirements for a performance based planning process required by MAP-21, and proposed that State Departments of Transportation and metropolitan planning organizations take a performance-based approach to planning and programming; a new emphasis on the nonmetropolitan transportation planning process; a structural change to the membership of larger Metropolitan Planning Organizations (MPOs); a new framework for voluntary scenario planning; and a framework for programmatic mitigation processes. The comment period for the NPRM closed on October 2, 2014. FTA and FHWA are currently reviewing approximately 160 letters from commenters. FTA expects to issue a Final Rule in 2015.

On October 3, 2013 FTA published an expansive Advanced Notice of Proposed Rulemaking (ANRPM) in the *Federal Register* requesting comment on a number of questions related to the implementation of the new requirements under MAP-21 for a National Transit Safety Plan, Agency Safety Plans, a new Safety Certification Training Program, and a new National Transit Asset Management System. The comment period for this ANPRM closed on January 2, 2014. FTA currently is reviewing approximately 2,500 pages of comments from more than 140 commenters. FTA expects to issue NPRMs on these topics in 2015.

FTA is also continuing to work with States with rail fixed guideway public transportation systems (rail transit systems) to develop and carry out State Safety Oversight (SSO) Programs consistent with the requirements of MAP-21. On October 1, 2013, FTA announced the initial certification status of each State and is now working with each State to address, among other things, identified gaps in their SSO Programs (SSO Program or SSOP) with MAP-21 requirements and to develop work plans to address these gaps as well as enhance a State's SSOP. As of December 31, 2014, FTA had certified two states as having SSO Programs compliant with the MAP-21 statutory provisions and approved 25 Certification Work Plans. FTA expects to issue an NPRM in FY 2015 seeking comment on its plan to implement the SSO Program. Additional information on FTA's safety authority and the requirements under section 5329 can be found in Section IV of this notice.

B. Transitioning to a New Electronic Grant Management System

FTA's Transportation Electronic Award and Management (TEAM) system was opened in October 2014 for awarding grants with funds appropriated in FY 2014 or a prior fiscal year. However, FTA is planning to transition to the Transit Award Management System (TrAMS) in April, 2015 and to close TEAM for grant making on March 1, 2015.

TrAMS, by design, collects and presents information contained in new grant applications differently than TEAM, which will make it difficult to migrate applications that have not yet been awarded by March 1, 2015 into the new system. FTA has previously provided guidance that grant applications needed to be in submitted status in TEAM as of January 1, 2015 to ensure award could be made by March 1, 2015. FTA will make a concerted effort to award any other pending grant applications in TEAM by March 1, 2015. However, grant applications not awarded in TEAM by March 1 will not be migrated into TrAMS and the recipient will need to re-create their application in TrAMS.

When deployed, TrAMS aims to offer a more efficient, user-friendly, and flexible tool to award and manage grants and cooperative agreements. It seeks to provide more useful information, and will strengthen the integrity and consistency of our grant award and management process.

FTA has created a page on its website, http://www.fta.dot.gov/TrAMS to provide additional information and updates on our new grant making system. Individuals who would like access to this website should contact their FTA Regional Office for the password to use or send an email to fta.trams@dot.gov.

FTA will continue to provide training and technical assistance on using TrAMS. Training will include live, hands-on workshops, where feasible, as well as training videos and guidance and technical assistance documents. More information on upcoming training will be posted at http://www.fta.dot.gov/TrAMS.

FTA also will migrate data, information, and attachments about current recipients and their awarded grants (as of March 1, 2015) from TEAM into TrAMS.

In addition, in order to minimize the amount of data and information that needs to be migrated into TrAMS, FTA encourages its grantees to promptly close any awarded grants where funds are fully disbursed or where the grantees no longer plan to implement the projects funded in the grant. FTA grantees will be able to use TrAMS to manage active grants where work on the transit projects identified in the grant is ongoing. (These grants will be migrated from TEAM to TrAMS).

C. New Common Rule

On December 26, 2013 the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR part 200. Part 200 replaces the former Uniform Administrative Requirements for Grants (OMB Circular A-102 and Circular A-110 or 2 CFR part 215 or Circular) as well as the Cost Principles (Circulars A-21 or 2 CFR 220; Circular A-87 or 2 CFR 225; and A-122, 2 CFR 230). Additionally it replaces Circular A-133 guidance on the Single Annual Audit.

The administrative requirements and cost principles found in 2 CFR part 200 (Uniform Guidance) became effective for new awards and additional funding to existing awards on December 26, 2014. The audit requirements will apply to audits of fiscal years beginning on or after December 26, 2014. For the most part 2 CFR part 200 does not substantially change administrative requirements, cost principles and audit requirements as experienced by FTA grantees.

Except as otherwise provided in 2 CFR part 1201, which was published as an interim final rule in the Federal Register on December 26, 2014 and effective that same date, the Department of Transportation adopted OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards under 2 CFR part 200. Part 1201 deviates from part 200

only with respect to standard application requirements, equipment, procurements by States, and financial reporting. In addition, part 1201 supersedes and repeals the requirements of the Department of Transportation Common Rules (49 CFR part 18—Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments and 49 CFR part 19—Uniform Administrative Requirements—Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations), except that grants and cooperative agreements executed prior to December 26, 2014 shall continue to be subject to 49 CFR parts 18 and 19 as in effect on the date of such grants or agreements. DOT's interim final rule can be viewed at https://www.federalregister.gov/articles/2014/12/19/2014-28697/federal-awarding-agency-regulatory-implementation-of-office-of-management-and-budgets-uniform#sec-1201-102.

FTA is working to update its guidance, FTA Circular 5010.1D, "Grant Management Requirements" to ensure it is consistent with the new Common Rule. As FTA is required to issue revised updated guidance through a notice and comment process, grantees may continue to follow the procedures of FTA Circular 5010.1D. However, where Circular 5010 references specific requirements of 49 CFR 18 or 19, or the old Common Rule, non-Federal entities should follow the guidance in the 2 CFR part 200 and 2 CFR part 1201 for awards or amendments made after December 26, 2014. As the following requirements are incorporated in Circular 5010 by reference, non-Federal recipients are expected to follow these requirements for new awards or amendments made after December 26, 2014:

- Cost Principles: Where our Circulars reference cost principles found in the former Common Rule, non-federal entities must now follow the Cost Principles in 2 CFR 200

Subpart E, unless stated otherwise in 2 CFR part 1201, for awards made after December 26, 2014.

• Indirect Cost Rates: Non-federal entities must follow procedures for Indirect Cost Rates found in 2 CFR 200, unless stated otherwise in 2 CFR part 1201, for awards made after December 26, 2014.

• Audit Requirements: Non-federal entities whose FY 2015 fiscal year starts January 1, 2015, or later, must follow the Single Annual Audit requirements of 2 CFR 200 Subpart F.

D. The Recovery Act

The American Recovery and Reinvestment Act (ARRA) (Pub. L. 111-5) appropriated $8.4 billion for three major FTA transit programs. Pursuant to ARRA, FTA had until September 30, 2010 to obligate the $8.4 billion in grants. Additionally, as a matter of law, all remaining ARRA funds MUST be disbursed (paid) from grants by the end of the 5th fiscal year (FY) after funds were required to be obligated. (SEE 31 U.S.C. 1552.) For FTA ARRA projects, that requirement takes affect at the end of FY 2015. Accordingly, once ECHO closes for disbursements (payments) in late September 2015, all remaining unliquidated obligations within FTA ARRA funded grants will no longer be available to the grantee and will be deobligated from the grant. Even if a grantee has incurred costs or disbursed funds prior to the close of ECHO, if the grantee has not actually drawn down the funds by the time ECHO closes in late September 2015, FTA will be unable to reimburse the grantee. Therefore, grantees with open ARRA grants are strongly encouraged to ensure project activities are completed and all funds are drawdown before late September 2015. For ARRA TIGER 1 projects, the same requirement will be in effect for the end of FY 2016.

E. Vanpool In-Kind Match Provision

MAP–21 amended 49 U.S.C. 5323(i) ‘‘Government Share of Costs for Certain Projects’’ to include a paragraph that allows a grantee to credit towards its local share the costs a private provider incurs when acquiring rolling stock to be used in providing public transportation in the grantee’s service area. The credit in this case will be handled in a similar manner as transportation development credits (formerly known as toll revenue credits). In order to take advantage of this credit, the private provider must exclude any amounts received from the federal, state or local government when acquiring the rolling stock. To determine the amount of credit available to a grantee and to track the application of the use of van pool capital acquisition for local share, the grantee that will apply the share to a grant will be required to supply the following information in the TEAM / TrAMS grant: Vehicle Identification Number; cost/value of the van when it joined the program (including capital cost of contracting calculations if applicable); amount of federal, state or local financial assistance used to acquire the van (note that if any federal funds were used to acquire the van – then the required local share will also be deducted) ; amount used as credit for previous grants; the amount to be used as credit for this grant; and a copy of the Certified Statement to verify the van is being used in grantee’s service area. In addition, section 5323(i)(2)(B) allows a vanpool provider to use revenues in excess of its operating costs to acquire rolling stock if the private provider and the grantee enter into an agreement that the private provider will use the rolling stock in the grantee’s service area.

Grantees should contact their Regional Office for assistance if they intend to use this provision. FTA will also develop additional guidance and frequently asked questions to assist grantees with using this new match provision.

F. Flood Insurance

Recipients are reminded they need to maintain flood insurance for any building located in a special flood hazard area that received Federal financial assistance. Section 102 of the Flood Disaster Protection Act of 1973 (FDPA) prohibits the Federal government from providing funds for acquisition or construction of buildings located in a special flood hazard area (100-year flood zone) unless the owner of the property first has obtained flood insurance. FTA's Master Agreement and annual Certifications and Assurances reference FDPA and recipients agree they will have flood insurance for buildings in a special flood hazard area.

Specifically, Federal agencies may not provide any financial assistance for the acquisition, construction, reconstruction, repair, or improvement of a building unless the recipient has first acquired flood insurance under the National Flood Insurance Act to cover the buildings constructed or repaired with Federal funds. Consistent with the Federal Emergency Management Agency's (FEMA) definition of "building," FTA has defined "building" in its Emergency Relief program regulation at 49 CFR 602.5, for insurance purposes, as "a structure with two or more outside rigid walls and a fully secured roof, that is affixed to a permanent site. This includes manufactured or modular office trailers that are built on a permanent chassis, transported to a site in one or more sections, and affixed to a permanent foundation." In addition, where structures are both above and below ground, the flood insurance requirement applies where at least 51 percent of the cash value of the structure, less land value, is above ground.

This flood insurance requirement applies to transit facilities such as maintenance facilities, storage facilities, and above-ground stations/terminals, as well as equipment and fixtures in the facilities. It does not apply to underground subway stations, track, tunnels, ferry docks, or to any transit assets outside of a special flood hazard area.

A covered structure must be insured through the NFIP or a comparable private policy. The policy must provide coverage at least equal to the project cost for which Federal assistance is provided, or to the maximum limit of coverage available under the National Flood Insurance Act (currently $500,000 for buildings and $500,000 for equipment and fixtures), whichever amount is less. Facilities owned by state governments may be self-insured, but only where FEMA has approved the state's self-insurance policy. Private entities, and public entities other than state governments, may not self-insure and must obtain a flood insurance policy before receiving Federal funds and maintain the policy subsequent to grant award.

G. In-State or Local Geographical Preferences

As part of the Appropriations Act for 2015, Congress enacted section 418 (Section 418 of the Consolidated and further Continuing Appropriations Act, 2015, Public Law No. 113-235), which prohibits FTA from using FY 2015 funds to implement, administer, or enforce 49 CFR 18.36(c)(2) for construction hiring. Section 18.36(c)(2) prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals. Effective December 26, 2014, 49 CFR part 18 will apply only to grants obligated on or before December 25, 2014. Grants obligated on or after December 26, 2014 will be subject to 2 CFR part 200. This provision (18.36(c)(2)) is codified at 2 CFR 200.319(b) and is substantively the same as 18.36(c)(2). Although Congress did not address the change in codification in section 418, FTA intends to apply section 418 to grants obligated on or after December 26, 2014 and subject to 2 CFR 200.319(b). Accordingly, grantees may include in-State or local geographic preferences in construction contracts awarded or advertised in FY2015. FTA will provide additional guidance regarding the implementation and applicability of section

418 on its website at www.fta.dot.gov. Grantees may not use section 418 to alter or amend the requirements of the Disadvantaged Business Enterprise Program.

H. Federal Highway Administration (FHWA) Congestion Mitigation and Air Quality Improvement Program (CMAQ) Funds for Operating Assistance

In response to the modifications made by section 125 of the Consolidated Appropriations Act, 2014, Pub. L. 113-76, FHWA in coordination with FTA has clarified what is meant by the provision that prohibits the imposition of a time limitation for operating assistance eligibility on a system *"for which CMAQ funding was made available, obligated or expended in fiscal year 2012."* The phrase "made available" applies to projects designated for CMAQ operating assistance in fiscal year (FY) 2012 through statute or to any commitment by the party that by law selects projects for operating assistance funding so long as the commitment occurred during FY 2012. There must be official documentation demonstrating that there was a specific commitment in FY 2012 to provide CMAQ funding for operating assistance for a particular project or service. Such official documentation could include a TIP or STIP, or other State or MPO official records. The specific project or service for which the CMAQ funds are being sought for operating assistance without a time limitation must be clearly identified in this documentation. Transportation services expressly eligible for CMAQ funding under SAFETEA-LU sections 1808(g)-(k) and certain provisions in previous appropriations acts are eligible to use CMAQ funds for operating assistance without time limitations. "Obligated" funding occurs on the date that the funds were obligated and FTA awarded the grant. "Expended" funding occurs on the date that the grantee draws-down funds for eligible expenses from an FTA grant. FTA will work with grantees at the time of grant application to verify eligibility under this provision. Complete guidance regarding eligibility for operating assistance under the CMAQ Program can be found in

the Revised Interim Guidance on CMAQ Operating Assistance under MAP-21, published in July 2014 and available at http://www.fhwa.dot.gov/environment/air_quality/cmaq/.

IV. FY 2015 Program Specific Information

This section of the notice provides the available FY 2015 funding to date and/or other important program-related information for 20 FTA programs that are contained in this notice. Funding for twelve programs is apportioned by statutory or administrative formula. Funding for the other eight programs will be allocated on a discretionary or competitive basis. Available funding and/or other important information for each of the programs is presented immediately below. This includes program apportionments or allocations, certain program requirements, length of time FY 2015 funding is available for obligation and other significant program information pertaining to FY 2015. For the formula programs, the funding represents the $5.722 billion available at this time as authorized by the Highway and Transportation Funding Act of 2014. FTA expects to publish another notice should Congress provide additional contract authority for this fiscal year.

A. Metropolitan Planning Program (49 U.S.C. 5305(d))

Section 5305(d) authorizes Federal funding to support a cooperative, continuous, and comprehensive planning program for transportation investment decision-making at the metropolitan area level. The specific requirements of metropolitan transportation planning are set forth in 49 U.S.C. 5303 and further explained in 23 CFR part 450, as incorporated by reference in 49 CFR part 613, Statewide Transportation Planning; Metropolitan Transportation Planning; Final Rule. FTA apportions funds directly to State Departments of Transportation (DOTs). State DOTs then allocate the funds to Metropolitan Planning Organizations (MPOs), for planning activities that support the economic vitality of the metropolitan area.

MAP-21 requires that the metropolitan transportation planning process must provide for the establishment of a performance-based approach to decision-making. Upon publication of a final rule on the metropolitan transportation planning program, MPOs will be required to establish specific performance targets that address transportation system performance measures (to be issued by U.S. DOT), where applicable, to use in tracking progress towards attaining critical outcomes. These performance targets will be established by MPOs in coordination with States and transit providers. MPOs also will be required to provide a system performance report that evaluates their progress in meeting the performance targets in comparison with the system performance identified in prior reports.

This funding must support work elements and activities resulting in balanced and comprehensive intermodal transportation planning for the movement of people and goods in the metropolitan area. Comprehensive transportation planning is not limited to transit planning or surface transportation planning, but also encompasses the relationships among land use and all transportation modes, without regard to the programmatic source of Federal assistance. Eligible work elements or activities include, but are not limited to, studies relating to management, mobility management, planning, operations, capital requirements, and economic feasibility; evaluation of previously funded projects; peer reviews and exchanges of technical data, information, assistance, and related activities in support of planning and environmental analysis among MPOs and other transportation planners; work elements and related activities preliminary to and in preparation for constructing, acquiring, or improving the operation of facilities and equipment; and development of coordinated public transit human services transportation plans.

During the spring of 2014, the Acting Administrators of FTA and FHWA issued a Planning Emphasis Area letter to the MPO's requesting that they include work activities in their Unified

Planning Work Programs (UPWP) to advance the following activities; (1) Transition to Performance Based Planning and Programming. This involves the development and implementation of a performance management approach to transportation planning and programming that supports the achievement of transportation system performance outcomes; (2) Models of Regional Planning - Promote cooperation and coordination across MPO boundaries and across State boundaries where appropriate to ensure a regional approach to transportation planning. This is particularly important where more than one MPO or State serves an urbanized area or adjacent urbanized areas. This cooperation could occur through the metropolitan planning agreements that identify how the planning process and planning products will be coordinated, through the development of joint planning products, and/or by other locally determined means; and (3) Ladders of Opportunity - Access to essential services - USDOT is encouraging state and local decision makers to plan for transportation investments and policies that provide "ladders of opportunity" connecting people safely to jobs, education, and health care and other essential services and improving their quality of life.

An exhaustive list of eligible work activities is provided in FTA Circular 8100.1C, *Program Guidance for Metropolitan Planning and State Planning and Research Program Grants*, dated September 1, 2008. For more about the Metropolitan Planning Program, *contact Victor Austin, Office of Planning and Environment at (202) 366-2996 or victor.austin@dot.gov*.

1. FY 2015 Funding Availability

The FY 2015 Appropriations provides a total of $70,931,607 for the Metropolitan Planning Program (section 5305(d)) to support metropolitan transportation planning activities set forth in section 5303. The total amount apportioned for the Metropolitan Planning Program to

States for MPOs' use in urbanized areas (UZAs) is $70,576,949 as shown in the table below, after the deduction for oversight (authorized by section 5338).

Metropolitan Planning Program – FY 2015	
Total Appropriation	$70,931,607
Oversight Deductions	- $354,658
Total Apportioned	$70,576,949

States' apportionments for this program are displayed in Table 2.

2. Basis for Allocation

Eighty percent of the funds are apportioned to the States based on the most recent decennial Census for each State's UZA population. The remaining 20 percent is provided to the States with UZAs with one million or more in population in order to address planning needs in larger, more complex UZAs.

3. Requirements

The State allocates Metropolitan Planning funds to MPOs in UZAs or portions thereof to provide funds for planning projects included in a one or two-year program of planning work activities (the Unified Planning Work Program, or UPWP). The UPWP includes multimodal systems planning activities spanning both highway and transit planning topics. Each State has either reaffirmed or developed, in consultation with their MPOs, an allocation formula among MPOs within the State, based on the 2010 Census. The allocation formula among MPOs in each State may be changed annually, but the FTA Regional Office must approve any change before grant award. Program guidance for the Metropolitan Planning Program is found in FTA Circular

8100.1C, *Program Guidance for Metropolitan Planning and State Planning and Research Program Grants*, dated September 1, 2008.

4. Period of Availability

The Metropolitan Planning program funds apportioned in this notice are available for obligation during FY 2015 plus three additional fiscal years. Accordingly, funds apportioned in FY 2015 must be obligated in grants by September 30, 2018. Any FY 2015 apportioned funds that remain unobligated at the close of business on September 30, 2018, will revert to FTA for reapportionment under the Metropolitan Planning program.

B. State Planning and Research Program (49 U.S.C. 5305(e))

This program provides financial assistance to States for statewide transportation planning and other technical assistance activities, including supplementing the technical assistance program provided through the Metropolitan Planning program. The specific requirements of Statewide transportation planning are set forth in 49 U.S.C. 5304 and further explained in 23 CFR part 450 as referenced in 49 CFR part 613, Statewide Transportation Planning; Metropolitan Transportation Planning; Final Rule. This funding must support work elements and activities resulting in balanced and comprehensive intermodal transportation planning for the movement of people and goods. Comprehensive transportation planning is not limited to transit planning or surface transportation planning, but also encompasses the relationships among land use and all transportation modes, without regard to the programmatic source of Federal assistance. For more information, contact *Victor Austin, Office of Planning and Environment at (202) 366-2996 or victor.austin@dot.gov.*

1. FY 2015 Funding Availability

FY 2015 Appropriations provides a total of $14,817,434 for the State Planning and Research Program (section 5305(e)). The total amount apportioned for the State Planning and Research Program (SPRP) is $14,743,347as shown in the table below, after the deduction for oversight (authorized by section 5338).

Statewide Planning Program – FY 2015	
Total Appropriation	$14,817,434
Oversight Deductions	-$74,087
Total Apportioned	$14,743,347

States' apportionments for this program are displayed in Table 2.

2. Basis for Allocation

FTA apportions funds to States by a statutory formula that is based on the most recent decennial Census data available, and the State's UZA population as compared to the UZA population of all States.

3. Requirements

Funds are provided to States for statewide transportation planning programs. These funds may be used for a variety of purposes such as planning, technical studies and assistance, demonstrations, and management training. In addition, a State may authorize a portion of these funds to be used to supplement Metropolitan Planning funds allocated by the State to its UZAs, as the State deems appropriate. Program guidance for the State Planning and Research program is found in FTA Circular 8100.1C*, Program Guidance for Metropolitan Planning and State Planning and Research Program Grants*, dated September 1, 2008.

MAP-21 requires that the statewide and non-metropolitan transportation planning process must provide for the establishment and use of a performance-based approach to decision-making. Upon publication of a final rule on the statewide and non-metropolitan transportation planning program, State Departments of Transportation will be required to establish specific performance targets that address transportation system performance measures (to be issued by U.S. DOT), where applicable, to use in tracking progress towards attaining critical outcomes. These performance targets will be established by States in coordination with MPOs and transit providers. States will be encouraged to provide a system performance report that evaluates their progress in meeting the performance targets in comparison with the system performance identified in prior reports.

4. Period of Availability

The State Planning and Research program funds apportioned in this notice are available for obligation during FY 2015 plus three additional fiscal years. Accordingly, funds apportioned in FY 2015 must be obligated in grants by September 30, 2018. Any FY 2015 apportioned funds that remain unobligated at the close of business on September 30, 2018 will revert to FTA for reapportionment under the State Planning and Research program.

C. Urbanized Area Formula Program (49 U.S.C. 5307)

Section 5307 authorizes Federal assistance for capital, planning, job access and reverse commute projects, and, in some cases, operating assistance for public transportation in urbanized areas. An urbanized area (UZA) is an area with a population of 50,000 or more that has been defined and designated as such by the U.S. Census Bureau.

FTA calculates an apportionment amount for each UZA based on statutory formulas. For UZAs with populations of 200,000 or more, FTA apportions funds directly to one or more designated recipients, which are local or statewide agencies designated by the governor in accordance with sections 5303 and 5304, to receive and allocate section 5307 funds to eligible public transportation projects in the UZA. For UZAs with populations between 50,000 and 200,000, FTA apportions funds directly to the governor for allocation to eligible public transportation projects in those areas of the state. Eligible funding recipients are limited to designated recipients and other local government authorities that a designated recipient or governor authorizes to apply for the funds directly to FTA.

Additional detailed guidance on the Urbanized Area Formula Program is available in FTA Circular 9030.1E*, Urbanized Area Formula Program: Program Guidance and Application Instructions*, dated January 16, 2014. This circular is in effect for all grants awarded after the date of its publication. The circular can be accessed at www.fta.dot.gov/circulars.

The circular contains guidance on several provisions that were established by MAP-21 and took effect beginning in FY 2013. These include a new provision allowing operating assistance for transit agencies in UZAs over 200,000 in population that operate a maximum of 100 buses in fixed route service during peak service hours, the eligibility of job access and reverse commute projects under section 5307, changes to the definition of "capital project," expanded eligibility for sources of local match, and the replacement of the "transit enhancements" requirements with a similar "associated transit improvements" requirement. For more information about the Urbanized Area Formula Program contact *Adam Schildge, Office of Program Management, at (202) 366-0778 or adam.schildge@dot.gov.*

1. FY 2015 Funding Availability

FY 2015 Appropriations provides a total of $2,968,361,507 for the Urbanized Area Formula Program (section 5307). The total amount apportioned to UZAs is $3,211,537,790, which includes the addition of amounts apportioned to UZAs pursuant to the section 5340 Growing States and High Density States Formula factors. This amount excludes the set-aside for the Passenger Ferry Discretionary Program, apportionments under the State Safety Oversight Program, and funding for oversight (authorized by section 5338), as shown in the table below.

Urbanized Area Formula Program – FY 2015	
Total Appropriation	$2,968,361,507a/
Ferry Discretionary Program	- $19,972,603
State Safety Oversight Program	- $14,841,808
Oversight Deduction	- $22,262,711
Section 5340 Funds Added	$300,253,404
Total Apportioned	$3,211,537,790

a/ Includes 1.5 percent set-aside for Small Transit Intensive Cities Formula

Table 3 displays the amounts apportioned under the Urbanized Area Formula Program.

2. Basis for Allocation

FTA apportions Urbanized Area Formula Program funds based on statutory formulas. Congress established four separate formulas that are used to apportion portions of the available funding: the section 5307 Urbanized Area Formula Program formula, the Small Transit Intensive

Cities (STIC) formula, the Growing States and High Density States formula, and a formula based on low-income population. Additional information on these formulas is provided in the following subsections.

Consistent with prior apportionment notices, Table 3 shows a total section 5307 apportionment for each UZA, which includes amounts apportioned under each of these formulas. Detailed information about the formulas is provided in Table 4. For technical assistance purposes, the UZAs that receive STIC funds are listed in Table 6. FTA will provide breakouts of the funding allocated to each UZA under these formulas upon request; such requests should be directed to your FTA Regional Office.

i. Section 5307 – Urbanized Area Formula

For UZAs between 50,000 and 199,999 in population, the section 5307 formula is based on population and population density. For UZAs with populations of 200,000 and more, the formula is based on a combination of bus revenue vehicle miles, bus passenger miles, bus operating costs, fixed guideway vehicle revenue miles, and fixed guideway route miles, as well as population and population density. The Urbanized Area Formula is defined in 49 U.S.C. 5336.

To calculate a UZA's FY 2015 apportionment, FTA used population and population density statistics from the 2010 Census and validated mileage and transit service data from transit providers' 2013 National Transit Database (NTD) Report Year (when applicable). Consistent with section 5336(b), FTA has included in the urbanized area formula 22.27 percent of the fixed guideway directional route miles and vehicle revenue miles from eligible transit systems that were ordinarily attributable to rural areas.

FTA has calculated dollar unit values for the formula factors used in the Urbanized Area Formula Program apportionment calculations. These values represent the amount of money each unit of a factor is worth in this year's apportionment. The unit values change each year, based on all of the data used to calculate the apportionments, as well as the amount appropriated by Congress. The dollar unit values for FY 2015 are displayed in Table 5. To replicate the basic formula component of a UZA's apportionment, multiply the dollar unit value by the appropriate formula factor (i.e., the population, population x population density), and when applicable, data from the NTD (i.e., route miles, vehicle revenue miles, passenger miles, and operating cost).

ii. Small Transit Intensive Cities Formula

Under the STIC formula, FTA apportions funds to UZAs under 200,000 in population that have public transportation service that operates at a level equal to or above the industry average for all UZAs with a population of at least 200,000, but not more than 999,999. STIC funds are apportioned on the basis of six performance categories: passenger miles traveled per vehicle revenue mile, passenger miles traveled per vehicle revenue hour, vehicle revenue miles per capita, vehicle revenue hours per capita, passenger miles traveled per capita, and passengers per capita. A UZA is granted a "STIC share" for each performance category in which its data exceeds the average of all UZAs between 200,000 and 1 million in population. The total dollar amount available for apportionment in the STIC formula is then divided evenly among each of the STIC shares.

The data used to determine a UZA's eligibility under the STIC formula and to calculate the STIC apportionments was obtained from the NTD reports for the 2013 reporting year. Because performance data change with each year's NTD reports, the UZAs eligible for STIC funds and the amount each receives may vary each year. UZAs that received funding through the STIC formula for FY 2015 are listed in Table 6.

iii. Section 5340 – Growing States and High Density States Formula

FTA also apportions funds to qualifying UZAs and States according to the section 5340 Growing States and High Density States formula. Half of the funds appropriated for section 5340 are apportioned to Growing States and half to High Density States. More information on this program and its formula is found in Section IV.S. of this notice.

iv. Low-Income Population

Beginning in FY 2013, the formula for this program has included a formula factor for low-income population. Of the amount authorized and appropriated for the Urbanized Area Formula Program in each year, 3.07 percent is apportioned on the basis of low income population.

3. Requirements

Program guidance for the Urbanized Area Formula Program is found in FTA Circular *9030.1E, Urbanized Area Formula Program: Program Guidance and Application Instructions*, dated January 16, 2014, and is supplemented by additional information and changes that may be provided in this notice, otherwise published in the *Federal Register*, or posted to the Section 5307 web page.

4. Period of Availability

Section 5307 funds are available for a period of six years (year of apportionment plus five additional years). Accordingly, 5307 funds apportioned in FY 2015 must be obligated in grants by September 30, 2020. Any FY 2015 apportioned funds that remain unobligated at the close of business on September 30, 2020 will revert to FTA for reapportionment under the Urbanized Area Formula Program. Grantees are encouraged to obligate funds when projects are ready and not wait until the last year the funds are available.

5. Other Program Information

i. Allocating funds to Small Urbanized Areas and Designated Recipients

Consistent with the definition of "designated recipient," FTA apportions funds according to the formula under section 5336 to designated recipients in UZAs of 200,000 or more in populations (large UZAs) and to the Governor of the State for UZAs of less than 200,000 in population (small UZAs). Pursuant to section 5336(e), the Governor of the State may allocate apportionments among the small UZAs. FTA interprets the legislation to allow a Governor to do so regardless of whether a small UZA has been designated as a TMA. FTA can make grants under this program to direct recipients after sub-allocation of funds.

ii. State Safety Oversight funding

As mentioned above, under MAP-21 there is a 0.5 percent take-down from the Section 5307 Urbanized Area program that has been made available to states for State Safety

Oversight (SSO) program activities as authorized under 49 U.S.C. 5329. More information about this program funding is in Section IV of this notice.

iii. Eligibility for Safety Certification Training

Recipients of sections 5307 funds may use up to 0.5 percent of those funds to cover up to 80 percent of the cost of participation by an employee who has direct safety oversight responsibility for the public transportation system. Likewise, participation by SSOA personnel with direct safety oversight responsibilities will be an eligible expense for section 5329(e)(6)(A) funds.

iv. National Transit Database Reporting

Section 5335 requires that each recipient or beneficiary under the Section 5307 program submit an annual report to the NTD containing information on financial, operating, and asset condition information. An annual NTD report should be a full report of all transit activities, regardless of funding source. For the 2014 Report Year, the reporting requirements apply to any recipient of a Section 5307 grant obligated in 2013, any recipient of a Section 5307 grant with outlays in 2014, or any entity that continued to benefit in 2014 from capital assets purchased using Section 5307 grants. Also, recipients or subrecipients that benefitted from Section 5307 grants in prior years, and which anticipate benefitting from Section 5307 grants in future years, should also continue to report to the NTD. Recipients or beneficiaries of Section 5307 grants that do not operate transit service, either directly or through a contract for purchased transportation services, are still required to report to the NTD on capital and planning expenditures, but have significantly reduced reporting requirements. Recipients or beneficiaries of Section 5307

grants that operate 30 or fewer vehicles in maximum service across all transit modes are also eligible for reduced, "Small Systems" reporting requirements. Recipients or beneficiaries making full annual reports to the NTD are also subject to monthly reporting requirements on service operations and safety incidents. MAP-21 also established new requirements for reporting asset inventories and condition assessments to FTA at section 5326(b)(3), 5335(a), and 5335(c). FTA previously proposed guidance for implementing these requirements in the *Federal Register.* FTA is currently reviewing and analyzing the comments received on this proposal, and will publish a future notice in the *Federal Register* with the final reporting requirements. The NTD Reporting Manuals contains detailed reporting instructions and are posted on the NTD website.

D. Passenger Ferry Grant Program (49 U.S.C. 5307(h))

The Passenger Ferry Grant Program (Ferry program) is an authorized discretionary program funded from the Section 5307 Urbanized Area Formula Grants program and offers public ferry systems in urbanized areas financial assistance for capital projects. For more information about the Ferry Program, contact *Vanessa Williams, Office of Program Management, at (202) 366-4818 or Vanessa.williams@dot.gov*.

1. Funding Available

The FY 2015 Appropriations provides a total of $19,972,603 in section 5307 Urbanized Area Formula grant funding to be set-aside for the Ferry program.

2. Basis for Allocation

Funds are allocated by a discretionary competition and published in a Notice of Funding Availability (NOFA) in the Federal Register. The NOFA will announce the available funding, program description, application procedures, specific eligibility, and criteria for project selection

for the Ferry program. Announcement of project selections are posted to FTA's website and published in the Federal Register.

3. Program Requirements

Eligible recipients are designated recipients or eligible direct recipients of Section 5307 funds engaged in providing a public transportation passenger ferry service. Ferry systems that accommodate cars must also accommodate walk-on passengers. Funding may be used to support existing ferry service, establish new ferry service, repair and modernize ferry boats, terminals, and related facilities and equipment. Funds may not be used for operating expenses, planning, or preventive maintenance.

The Federal match for this program is 80 percent, 85 percent for net project costs for acquiring vehicles (including clean-fuel or alternative fuel) in compliance with the Clean Air Act (CAA) or the Americans with Disabilities Act (ADA) of 1990; and 90 percent for net project costs for vehicle-related equipment or facilities (including clean-fuel or alternative-fuel vehicle-related equipment or facilities) in compliance CAA or ADA.

4. *Period of Availability*

Passenger Ferry funds follow the same period of availability as section 5307, and are available for a period of six years (year of apportionment plus five additional years). Accordingly, funds allocated in FY 2015 must be obligated in grants by September 30, 2020. Any of the funds allocated in FY 2015 that remain unobligated at the close of business on September 30, 2020 will revert to FTA for reallocation under the Ferry program. Grantees are encouraged to obligate funds when projects are ready and not wait until the last year the funds are available.

5. Other Program Information

The Ferry program grantees, the same as with all other FTA grantees, are required to comply with all applicable Federal statutes and regulations as a condition of their financial assistance. This includes all third party procurement guidance as described in FTA.C.4220.1F.

E. Fixed Guideway Capital Investment Grant (CIG) Program (49 U.S.C. 5309)—New and Small Starts and Core Capacity

The Fixed Guideway Capital Investment Grant (CIG) Program provides funds for construction of new corridor-based bus rapid transit and fixed guideway systems or extensions to existing systems and, as amended by MAP 21, projects that will expand the core capacity of an existing fixed guideway corridor. Eligible projects are new fixed-guideway systems, such as rapid rail (heavy rail), commuter rail, light rail, hybrid rail, trolleybus (using overhead catenary), cable car, passenger ferries, and bus rapid transit, or an extension of any of these. The Small Starts program also includes corridor-based bus rapid transit projects where the majority of the alignments do not operate on a separate fixed guideway but include features that emulate the services provided by rail fixed guideway including defined stations, traffic signal priority for public transit vehicles, and short headway bi-directional services for a substantial part of weekdays and weekend days. The addition of Core Capacity eligibility under the program provides funds for substantial, corridor-based investments in existing fixed guideway systems that are at capacity today or will be in five years. Core Capacity Improvement projects must increase the capacity of the existing fixed guideway system in the corridor by at least 10 percent. Projects become candidates for funding under this program by successfully completing steps in the process defined in section 5309 and obtaining a satisfactory rating under the statutorily-defined criteria. For New Starts and Core Capacity Improvement projects, the steps in the process include project development, engineering, and construction. For Small Starts projects the

steps in the process include project development and construction. New Starts and Core Capacity Improvement projects receive construction funds from the program through a full funding grant agreement (FFGA) that defines the scope of the project and specifies the total multi-year Federal commitment to the project. Small Starts projects receive construction funds through a single year grant or a Small Starts Grant Agreement (SSGA) that defines the scope of the project and specifies the Federal commitment to the project.

For more information about the New or Small Starts or Core Capacity project development process or evaluation and rating process contact *Elizabeth Day, Office of Planning and Environment, at (202) 366–4033 or Elizabeth.day@dot.gov*, or for information about published allocations contact *Eric Hu, Office of Transit Programs, at (202) 366–0870 or eric.hu@dot.gov*.

1. FY 2015 Funding Availability

The FY 2015 Appropriations provides a total of $2,120,000,000 in new budget authority for the section 5309 program. Pursuant to FY 2015 appropriations, in addition to funds appropriated to carry out the CIG program, $27.98 million in FY 2011 and prior year unobligated or recovered section 5309 (Discretionary Bus and Bus Facilities) funds are available to carry out bus rapid transit (BRT) projects subject to the requirements of the CIG program. The total amount available for allocation is $2,098,800,000, after the one percent deduction for oversight, as shown in the table below.

Capital Investment Grant (CIG) Program – FY 2015	
Total Appropriation	$2,120,000,000
Oversight Deductions	- $21,200,000

Total Available	$2,098,800,000

2. Basis for Allocation

Funds are allocated on a discretionary basis and subject to program evaluation. Within the amounts appropriated by the 2015 Appropriations Act, the Act directed FTA to first fully fund those projects covered by a full funding grant agreement, then fully fund those projects whose section 5309 share is less than 40 percent, and then distribute the remaining funds so as to protect as much as possible the projects' budgets and schedules. It is not, however, a requirement for projects to have a New Starts share of less than 40 percent to be eligible for federal funding under the CIG program or to receive an allocation. Rather, as section 165 of the FY 2015 Appropriations Act states, the section 5309 Federal share for New Starts and Core Capacity projects may be up to *60 percent.*

3. Requirements

In January 2013, FTA published a final rule explaining the MAP-21 evaluation and rating process for New and Small Starts projects, which became effective in April 2013. Additionally, FTA published corresponding final policy guidance in August 2013 that provides additional details and explanations on that process. FTA will be completing additional rulemaking and guidance documents related to the remainder of the section 5309 MAP-21 provisions, including: getting into and through the steps in the New Starts and Small Starts process; the evaluation and rating process for the Core Capacity Improvement program; getting into and through the steps in the Core Capacity process; warrants; expedited technical capacity reviews; and Programs of Inter-Related Projects. Project sponsors should reference the FTA website at www.fta.dot.gov for the most current fixed guideway capital investment grant program information. Grant-related

guidance is found in FTA Circular 9300.1B, *Capital Investment Program Guidance and Application Instructions*, November 1, 2008; and C5200.1A, *Full Funding Grant Agreement Guidance*, December 5, 2002, which will be updated in the future to incorporate the changes made by MAP-21.

4. Period of Availability

MAP-21 expanded the period of availability for section 5309 capital investment funds to five years, (the fiscal year in which the amount is made available plus four additional years). Therefore, funds for a project identified in FY 2015 must be obligated for the project by September 30, 2019. Section 5309 funds that remain unobligated to the projects for which they originally were designated after five fiscal years may be made available for other section 5309 projects. Grantees are encouraged to obligate funds when projects are ready and not wait until the last year the funds are available.

F. Enhanced Mobility of Seniors and Individuals with Disabilities Program (49 U.S.C. 5310)

The Enhanced Mobility of Seniors and Individuals with Disabilities Program provides formula funding to States and Designated Recipients of large UZAs (areas with populations of 200,000 or more) to improve mobility by expanding transportation options for seniors and individuals with disabilities. This program provides funds for: 1) public transportation capital projects planned, designed, and carried out to meet the special needs of seniors and people with disabilities when public transportation is insufficient, unavailable, or inappropriate; 2) public transportation projects that exceed the requirements of the Americans with Disabilities Act (ADA) of 1990; 3) public transportation projects that improve access to fixed route service and

decrease reliance by people with disabilities on complementary paratransit; and 4) alternatives to public transportation that assist seniors and individuals with disabilities with transportation. A critical component of meeting these goals is the development and approval of projects by key community stakeholders, including seniors and individuals with disabilities, of a locally developed coordinated plan.

FTA apportions funds specifically for large UZAs, small UZAs (areas under 200,000 in population) and rural areas (areas under 50,000 in population) and requires new designations in large UZAs. Additionally, MAP-21 expanded the eligibility provisions to include operating expenses. Other provisions include the requirement that at least 55% of funds be used for traditional capital projects; up to 10% can be used for administrative expenses; and the remainder can be used for nontraditional projects. MAP-21 also reinforces the utility of interventions like mobility management which is eligible as a capital expense for both traditional and nontraditional projects.

On June 6, 2014, FTA published the final program circular, FTA C 9070.1G*, Enhanced Mobility of Seniors and Individuals with Disabilities: Program Guidance and Application Instructions,* which reflects changes made to the program pursuant to MAP-21 and detailed guidance on its provisions. The circular can be accessed at www.fta.dot.gov/circulars.

For more information about the Enhanced Mobility of Seniors and Individuals with Disabilities Program, contact *Mary Leary, Office of Transit Programs, at (202) 366-0224 or mary.leary@dot.gov.*

1. FY 2015 Funding Availability

FY 2015 Appropriations provides a total of $171,964,110 for the section 5310 program. The total amount apportioned to States and UZAs for the section 5310 program is $171,104,289, after the deduction for oversight (authorized by section 5338), as shown below in the table.

Enhanced Mobility of Seniors and Individuals with Disabilities Program – FY 2015	
Total Appropriation	$171,964,110
Oversight Deductions	- $859,821
Total Apportioned	$171,104,289

Table 8 displays the amounts apportioned under the Enhanced Mobility of Seniors and Individuals with Disabilities Program.

2. Basis for Allocation

Based on the statutory formula, sixty percent of the funds are apportioned among Designated Recipients for large UZAs; twenty percent of the funds are apportioned among the States for their small UZAs; and twenty percent of the funds are apportioned among the States for their rural areas.

3. Requirements

Recipients and subrecipients should refer to the program circular, FTA C 9070.1G, *Enhanced Mobility of Seniors and Individuals with Disabilities: Program Guidance and Application Instructions,* dated June 6, 2014, for a complete list of program requirements. Listed below are a few critical requirements and reminders about the program that can prevent award of funds to designated recipients.

i. Designated Recipients

For small UZAs and rural areas, the State is the Designated Recipient for section 5310. Current 5310 designations remain in effect until changed by the Governor of a State by officially notifying the appropriate FTA regional administrator of re-designation.

In large UZAs, the recipient charged with administering the section 5310 program must be officially designated through a process consistent with sections 5303 and 5304 prior to grant award. The MPO, State, or another public agency may be a preferred choice based on local circumstances. The designation of a recipient shall be made by the Governor in consultation with responsible local officials and publicly owned operators of public transportation, as required in sections 5303 and 5304. Section 5310 funds cannot be awarded until this designation is on file with the FTA Regional Office. A State agency may be the Designated Recipient for section 5310 funds for a large UZA; this arrangement still requires a designation letter to administer the program under MAP-21. However, if the State is selected as the Designated Recipient in a large UZA, the apportioned funds for the large UZA must be allocated to eligible subrecipients within the UZA.

Designated Recipients are responsible for administering the program. Responsibilities include: notifying eligible local entities of funding availability; developing project selection processes; determining project eligibility; developing the program of projects; obligating and managing the program funds; program reporting; and ensuring that all subrecipients comply with Federal requirements.

Although FTA will only award grants to the States for the small urbanized and rural areas and Designated Recipients for the large urbanized areas under this program,

there are other entities eligible to receive funding as a subrecipient. These include private nonprofit agencies, public bodies approved by the state to coordinate services for elderly persons and persons with disabilities, or public bodies which certify to the Governor that no nonprofit corporations or associations are readily available in an area to provide the service.

ii. Eligible Expenses

MAP-21 expanded eligibility of the funds, permitting them to be used for operating, in addition to capital, for transportation services that address the needs of seniors and individuals with disabilities. However, not less than 55 percent of the funds available for this program must be used for capital projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable. FTA refers to these projects as "traditional 5310" projects and based on the statutory language, these projects must be carried out by the traditional 5310 subrecipients, which are non-profits, or a State or local governmental authority that is approved by a State to coordinate services for seniors and individuals with disabilities, or certifies that there are no non-profit organizations readily available in the area to provide the service. The 55 percent is a floor. Recipients may use more or all of their section 5310 funds for these types of projects. Remaining funds may be used for operating or capital projects such as: public transportation projects that exceed the requirements of the ADA; public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit; or alternatives to public transportation that assist seniors and individuals with disabilities. Eligible subrecipients for these other

eligible section 5310 activities include a State or local governmental authority, a private non-profit organization, or an operator of public transportation that receives a section 5310 grant indirectly through a recipient. The acquisition of public transportation services remains an eligible capital expense under this section.

States and Designated Recipients may use up to ten percent of their annual apportionment to administer, plan, and provide technical assistance for a funded project. No local share is required for these program administrative funds.

iii. Planning and Consultation

The States and Designated Recipients must certify that: projects selected for funding under this program are included in a locally developed, coordinated public transit-human services transportation plan; and the plan was developed and approved through a process that included participation by seniors, individuals with disabilities, representatives of public, private, nonprofit transportation and human services providers, and other members of the public. Although the requirement for a coordinated plan is not new, FTA recognizes that some large UZAs may need to modify existing coordinated plans to address the specific needs of the program's target populations and/or be approved by individuals from the target populations. Modifications to existing plans are acceptable. FTA also encourages the integration of locally developed coordinated planning activities with other planning activities including those of the Department of Transportation and of other Federal agencies. MAP-21 requires that to the maximum extend feasible, the services funded under this section are coordinated with transportation services of other Federal departments and agencies.

Additional guidance for developing coordinated plans can be found in Chapter V of the FTA C 9070.1G*, Enhanced Mobility of Seniors and Individuals with Disabilities: Program Guidance and Application Instructions,* dated June 6, 2014.

iv. State and Project Management Plans

FTA requires States and Designated Recipients responsible for implementing the section 5310 program to document their approach to managing the program in a Program Management Plan (PMP) or State Management Plan (SMP). States and Designated Recipient are required to submit SMPs and PMPs to the Regional Office prior to grant award for review and approval. Approval of these plans must be on file before the award of a section 5310 grant in FY 2015. For assistance with developing these plans, recipients can use Chapter VII of the FTA C 9070.1G*, Enhanced Mobility of Seniors and Individuals with Disabilities: Program Guidance and Application Instructions,* dated June 6, 2014. This chapter includes guidance on how to create and use SMP and can be used as a guide to develop a PMP for the large UZAs. The primary purposes of management plans are to serve as the basis for FTA management reviews of the program, and to provide public information on the administration of the programs.

4. Period of Availability

For Enhanced Mobility of Seniors and Individuals with Disabilities Program funds apportioned under this notice, the period of availability is three years (year of apportionment plus two additional years). Accordingly, funds apportioned in FY 2015 must be obligated in grants by September 30, 2017. Any FY 2015 apportioned funds that remain unobligated at the close of

business on September 30, 2017 will revert to FTA for reapportionment among the States and UZAs.

5. Other Program Information

FTA recently developed frequently asked questions (FAQs) that are posted to its website. These questions are meant to assist recipients and stakeholders with the continued implementation of the program. Please visit: http://www.fta.dot.gov/about/15035.html for the FAQs and other information about FTA's formula programs.

MAP-21 required FTA to report to Congress on candidate performance measures for the Section 5310 program. FTA initially sought comments on this topic during publication of the proposed program circular, and then sought additional comments through an Online Dialogue in 2014. This report will be provided to Congress and then made available in 2015. Grantees under the Section 5310 must still continue to report annually on the existing performance measures for this program, in accordance with FTA's responsibilities under the Government Performance and Results Act. The following are the current quantitative and qualitative performance measures: (1) Gaps in Service Filled. Provision of transportation options that would not otherwise be available for seniors and individuals with disabilities measured in numbers of seniors and people with disabilities afforded mobility they would not have without program support as a result of traditional Section 5310 projects implemented in the current reporting year. (2) Ridership. Actual or estimated number of rides (as measured by one-way trips) provided annually for individuals with disabilities and seniors on Section 5310–supported vehicles and services as a result of traditional Section 5310 projects implemented in the current reporting year. (3) Increases or enhancements related to geographic coverage, service quality,

and/or service times that impact availability of transportation services for seniors and individuals with disabilities as a result of other Section 5310 projects implemented in the current reporting year. (4) Additions or changes to physical infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles that impact availability of transportation services for seniors and individuals with disabilities as a result of other Section 5310 projects implemented in the current reporting year. (5) Actual or estimated number of rides (as measured by one-way trips) provided for seniors and individuals with disabilities as a result of other Section 5310 projects implemented in the current reporting year. The data for these five performance measures are due with the 4th quarter or annual report submitted by recipients no later than October 30 in FTA's electronic award management system.

G. Rural Area Formula Program (49 U.S.C. 5311)

The Rural Areas program provides formula funding to States and Indian tribes for the purpose of supporting public transportation in areas with a population of less than 50,000 (rural areas). Funding may be used for capital, operating, planning, job access and reverse commute projects, and State administration expenses. Eligible sub-recipients include State and local governmental authorities, Indian Tribes, private non-profit organizations, and private operators of public transportation services, including intercity bus companies. Indian Tribes are also eligible direct recipients under section 5311, both for funds apportioned to the States and for projects apportioned or selected to be funded with funds set aside for a separate Tribal Transit Program. One significant modification to section 5311 was the inclusion of job access and reverse commute projects. Additionally, the program should coordinate public transportation services with rural transportation services by other Federal sources.

On October 24, 2014, FTA published final guidance for the program in FTA Circular 9040.1G*, Formula Grants for Rural Areas: Program Guidance and Application Instructions,* which reflected updates pursuant to MAP-21. The circular can be accessed at www.fta.dot.gov/circulars.

For more information about the Formula Grants for Rural Areas program, contact *Mary Leary, Office of Transit Programs, at (202) 366-0224 or mary.leary@dot.gov.*

1. FY 2015 Funding Availability

The FY 2015 Appropriations provides $404,644,932 for the section 5311 program. The total amount apportioned to the States for the section 5311 program is $411,107,459, after the deductions for the Rural Transportation Assistance Program (RTAP), oversight (authorized by section 5338), the Tribal Transit Program, the Appalachian Development Public Transportation Assistance Program, and the addition of section 5340 for Growing States, as shown in the table below.

Formula Grants for Rural Areas Program – FY 2015	
Total Appropriation	$404,644,932
Oversight Deductions	-$2,023,225
RTAP Takedown	-$8,092,899
Tribal Takedown	-$19,972,603
Appalachian Takedown	-$13,315,068
Section 5340 Funds	$49,866,322
Total Apportioned	$411,107,459

Table 9 displays the amounts apportioned to the States under the Formula Grants for Rural Areas Program.

2. Basis for Allocation

The section 5311 funds are apportioned pursuant to a statutory formula. The majority of rural formula funds (83.15 percent) are apportioned based on land area and population factors. In this first tier, no State may receive more than 5 percent of the amount apportioned on the basis of land area. The remaining rural formula funds (16.85 percent) are apportioned based on land area, vehicle revenue miles, and low-income individual factors. Vehicle revenue miles are a new service factor and the low-income individual factor reflects that job access and reverse commute projects are now eligible under the program. In this second tier, no State may receive more than 5 percent of the amount apportioned on the basis of land area, or more than 5 percent of the amounts apportioned for vehicle revenue miles. In addition to funds made available under section 5311, FTA adds amounts apportioned based on rural population according to the growing States formula factors of 49 U.S.C. 5340 to the amounts apportioned to the States under the section 5311 formula.

Data from the Rural Module of the National Transit Database (NTD) 2013 Report Year was used for this apportionment, including data from directly-reporting Indian tribes.

Other than the .5 percent takedown for oversight, the section 5311 program includes three takedowns: the Appalachian Development Public Transportation Assistance Program (ADTAP); the Rural Transit Assistance Program (RTAP); and the Tribal Transit Program. These separate programs are described in the sections that follow.

3. Requirements

The section 5311 program provides funding for capital, operating, planning, job access and reverse commute projects, and administration expenses for public transit service in rural areas. The planning activities undertaken with section 5311 funds are in addition to those

awarded to the State under section 5305 and must be used specifically for rural areas' needs. States may elect to use 10 percent of their apportionment at 100 percent federal share to administer the section 5311 program and provide technical assistance to subrecipients. Technical assistance includes project planning, program and management development, public transportation coordination activities, and research the State considers appropriate to promote effective delivery of public transportation to rural areas.

Each State prepares an annual program of projects, which must provide for fair and equitable distribution of funds within the States, including Indian reservations, and must provide for maximum feasible coordination with transportation services assisted by other Federal sources.

Additional program guidance for the Rural Areas Program is found in FTA Circular 9040.1G*, Formula Grants for Rural Areas: Program Guidance and Application Instructions,* dated October 24, 2014.

4. Period of Availability

For section 5311 program funds apportioned under this notice, the period of availability is three years (year of apportionment plus two additional years). Accordingly, funds apportioned in FY 2015 must be obligated in grants by September 30, 2017. Any FY 2015 apportioned funds that remain unobligated at the close of business on September 30, 2017 will revert to FTA for reapportionment under the Formula Grants to Rural Areas Program.

5. Other Program Information

i. National Transit Database (NTD) Reporting

Section 5335 requires that each recipient or beneficiary under the section 5311 program submit an annual report to the NTD containing information on capital investments, operations, and service. Section 5311(b)(4) specifies that the report shall include information on total annual revenue, sources of revenue, total annual operating costs, total annual capital costs, fleet size and type, and related facilities, revenue vehicle miles, and ridership. Annual NTD reports should be a complete report of all transit activities, regardless of funding source. State or Territorial DOT 5311 grant recipients must complete a one-page form of basic data for each 5311 sub-recipient, unless the sub-recipient is already providing a full report to the NTD, either as a Tribal Transit direct recipient, or as a subrecipient of another State, or as an UZA reporter (without receiving a full reporting waiver). For the 2014 Report Year, State or Territorial DOTs must report on behalf of any sub-recipient included in the program of projects for a grant that was open in 2014, that received outlays of section 5311 grant funds in 2014, or that continued to benefit in 2014 from capital assets purchased using section 5311 grants. State or Territorial DOTs should also continue to report on behalf of any sub-recipients that benefitted from section 5311 grants in prior years, and which anticipate benefitting from section 5311 grants in future years. For Tribal Transit direct recipients that have not previously reported to the NTD, your organization is required to report to the NTD if one of the following apply: you obligated a grant in 2013, expended funds from a section 5311 grant in 2014; or you continued to benefit in 2014 from capital assets using section 5311 grants, unless the Tribe is already filing a full NTD Report as an UZA reporter or unless the Tribe has only received $50,000 or less in planning grants. MAP-21 also established new requirements for reporting asset inventories and condition assessments to FTA at sections 5326(b)(3), 5335(a), and 5335(c). FTA grantees and sub-recipients should look for a future *Federal Register* Notice with proposed changes to the FTA's NTD Reporting

Manual for more information and an opportunity to comment on FTA's implementation of these new statutory requirements.

H. Rural Transportation Assistance Program (49 U.S.C. 5311(b)(2))

This program provides funding 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 rural areas. For more information about the Rural Transportation Assistance Program (RTAP) contact *Mary Leary, Office of Transit Programs, at (202) 366-0224 or mary.leary@dot.gov*.

1. FY 2015 Funding Availability

The FY 2015 Appropriations provides $8,092,899 for the section 5311 RTAP Program. Of this amount, 15 percent, or $1,213,935 is available for the National RTAP program. The remainder is allocated to the States, as shown below.

Rural Transportation Assistance Program – FY 2015	
Total Appropriation	$8,092,899
National RTAP	-$1,213,935
Total Apportioned	$6,878,964

Table 9 shows the FY 2015 RTAP allocations to the States.

2. Basis for Allocation

FTA allocates funds to the States by an administrative formula. First, FTA allocates $65,000 to each State ($10,000 to territories), and then allocates the balance based on rural population in the 2010 Census.

3. Requirements

States may use the funds to undertake research, training, technical assistance, and other support services to meet the needs of transit operators in rural areas. These funds are to be used in conjunction with a State's administration of the Rural Areas Formula Program, but also may support the rural components of the section 5310 program.

4. Period of Availability

The section 5311 RTAP funds apportioned in this notice are available for obligation in FY 2015 plus two additional years, consistent with that established for the section 5311 program. Any funds that remain unobligated on September 30, 2017 will revert to FTA for apportionment under the program.

5. Other Program Information

The National RTAP project is administered by cooperative agreement and re-competed at five-year intervals. In July of 2014, FTA awarded a cooperative agreement to Neponset Valley Transportation Management Association to administer the National RTAP program. The National RTAP projects are guided by a project review board that consists of managers of rural transit systems and State DOT RTAP programs. National RTAP resources also support the biennial TRB National Conference on Rural Public and Intercity Bus Transportation and other research and technical assistance projects of a national scope to promote effective delivery of public transportation in rural areas.

I. Appalachian Development Public Transportation Assistance Program (49 U.S.C. 5311(c)(2))

MAP-21 established this program as a take-down under the section 5311 program to provide additional funding to support public transportation in the Appalachian region. There are sixteen eligible States that receive an allocation under this provision. The States and their allocation are shown in the Rural Areas Formula program table posted on FTA's website under the FY 2015 Apportionments page. For more information about the Appalachian Development Public Transportation Assistance Program (ADTAP), contact *Mary Leary, Office of Transit Programs, at (202)366-0224 or mary.leary@dot.gov.*

1. FY 2015 Funding Availability

The FY 2015 Appropriations provides $13,315,068 for the ADTAP, as shown below.

Appalachian Development Public Transportation Assistance Program – FY 2015	
Total Appropriation	$13,315,068
Total Apportioned	$13,315,068

2. Basis for Allocation

FTA apportions the funds using percentages established under section 9.5(b) of the Appalachian Regional Commission Code (subtitle IV of title 40). According to this provision, allocations will be based in general on each State's remaining estimated need to complete eligible sections of the Appalachian Development Highway System as determined from the latest percentages of available cost estimates for completion of the System. Such cost estimates shall be produced at approximate five year intervals. Allocations shall contain upper and lower limits

in amounts or to be determined by the Commission and shall be made in accordance with legislation.

3. Requirements

Funds apportioned under this program can be used for purposes consistent with section 5311 to support public transportation in the Appalachian region. Funds can be applied for in the State's annual section 5311 grant.

MAP-21 includes a provision that permits the use of Appalachian program funds that cannot be used for operating to be used for a highway project under certain circumstances. States should contact their Regional Office if they intend to request a transfer. Additional information about the requirements for this funding can be found in Chapter VII of the FTA Circular 9040.1G*, Formula Grants for Rural Areas: Program Guidance and Application Instructions,* dated October 24, 2014.

4. Period of Availability

Section 5311 Appalachian program funds are available for three years (year of apportionment plus two additional years), consistent with that established for the section 5311 program. Funds that remain unobligated on September 30, 2017 will revert to FTA for reallocation.

J. Public Transportation on Indian Reservations Program (49 U.S.C. 5311)

The Public Transportation on Indian Reservations Program (Tribal Transit Program) is a takedown from the section 5311 apportionment, which allocates funds by both statutory formula consistent with 5311(j) and through a competitive discretionary program consistent with section

5311(c)(1)(A). The Tribal Transit formula funds are apportioned to Indian tribes for any purpose eligible under section 5311, which includes capital, operating, planning, job access and reverse commute projects, and administrative assistance for rural public transit services and rural intercity bus service. Eligible direct recipients are federally recognized Indian tribes in rural areas.

On December, 9, 2014, FTA published a Notice of Funding Availability (NOFA) soliciting proposals for the FY 2014 discretionary resources. FTA intends to use this solicitation and proposals received in response to this NOFA to allocate FY 2015 discretionary resources. Applications are due February 18, 2015. Specific eligibility for the discretionary resources is outlined in the NOFA.

For more information about the Tribal Transit Program contact *Élan Flippin, Office of Transit Programs at (202) 366-3800 or elan.flippin@dot.gov*.

1. FY 2015 Funding Availability

The FY 2015 Appropriations provides $19,972,603 for the program, of which $14,972,603 is apportioned by formula and $5,000,000 will be allocated through a competitive discretionary program.

Public Transportation on Indian Reservations Program – FY 2015	
Total Appropriation	$19,972,603
Total Appropriated to Tribes by Formula	$14,972,603
Total Available for Discretionary Allocation	$5,000,000

2. Basis for Allocation

The majority of the funding is allocated by formula, as described below. The remainder of the appropriation plus prior year discretionary funds that have lapsed, will be made available through a discretionary competition.

i. Tribal Transit Formula Program

The Tribal Transit formula program is distributed to eligible Indian tribes providing public transportation on tribal lands. The formula apportionment shown in Table 10 is based on a statutory formula which includes three tiers. Tiers 1 and 2 are based on data reported to NTD by Indian tribes; Tier 3 is based on 2008-2012 American Community Survey data.

The three tiers for the formula are:

Tier 1 - 50 percent based on vehicle revenue miles reported to the NTD

Tier 2 - 25 percent provided in equal shares to Indian tribes reporting at least 200,000 vehicle revenue miles to the NTD

Tier 3 - 25 percent based on Indian tribes providing public transportation on reservations where more than 1,000 low income individuals reside

Tribes should continue to report vehicle revenue miles to the NTD for inclusion in future TTP formula apportionments.

ii. Tribal Transit Discretionary Program

The Tribal Transit Discretionary program funds are allocated annually based on a discretionary competition and as published in a NOFA in the *Federal Register*. Funds are allocated for grants to Indian tribes for purposes eligible under section 5311; however, FTA may limit the discretionary program based on funding priorities. FTA published a NOFA in the *Federal Register* soliciting projects for the available

FY 2014 discretionary funds on December 9, 2014. FTA intends to use this solicitation to allocate FY 2015 discretionary funds, as available. The NOFA contains information about the available funding, application procedures, specific eligibility, and criteria for project selection for the discretionary program.

3. Requirements

Formula funds apportioned under this program can be used for purposes consistent with section 5311 to support public transportation on Indian Reservations in rural areas. Funds allocated under the discretionary program must be used consistent with the tribe's proposal and the allocation notice published in the *Federal Register*, which is used to announce the selected projects. Eligible recipients under both the discretionary and formula program include Federally-recognized Indian tribes or Alaska native villages, groups, or communities as identified by the U.S. Department of the Interior Bureau of Indian Affairs (BIA). A tribe must have the legal, financial and technical capabilities to receive and administer Federal funds.

Section 5335 requires NTD reporting for all direct recipients of section 5311 funds. This reporting requirement has and continues to apply to the Tribal Transit Program. Tribes that provide public transportation in rural areas are reminded to report annually so they are included in the Tribal Transit formula apportionments. Tribes needing assistance with reporting to the NTD should contact the NTD Helpline at 1-888-252-0936 or NTDHelp@dot.gov.

4. Period of Availability

Tribal Transit program funds are available for three years (year of apportionment or allocation plus two additional years), consistent with that established for the section 5311

program. Any FY 2015 formula funds that remain unobligated at the close of business on September 30, 2017 will revert to FTA for reapportionment under the Tribal Transit Program.

5. Other Program Information

The funds set aside for the Tribal Transit Program are not meant to replace or reduce funds that Indian tribes receive from States through the section 5311 program but are to be used to enhance public transportation on Indian reservations and transit serving tribal communities. Funds allocated to Indian tribes by the States may be included in the State's section 5311 application or awarded by FTA in a grant directly to the Indian tribe. FTA encourages Indian tribes intending to apply to FTA as direct recipients to contact the appropriate FTA Regional Office at the earliest opportunity.

Tribal Transit Program grantees, the same as with all other FTA grantees, are obliged to comply with applicable Federal requirements as a condition of their financial assistance. To assist tribes with understanding these requirements and the recent program changes, FTA conducted five Tribal Transit Technical Assistance Workshops in FY 2013 and FY 2014. FTA will continue similar offerings in FY 2015; workshops are tentatively planned for Santa Fe, Sacramento, and Denver. In addition, FTA will begin reviews to assess technical assistance needs and provide specific technical assistance for tribes beginning in March 2015; these reviews will include an assessment of capabilities related to compliance areas pursuant to the Master Agreement, a site visit and technical assistance from FTA and its contractors. FTA will post information about upcoming workshops to its website and will disseminate information about the reviews through the Regional Offices. FTA has regional tribal transit liaisons in each of the FTA Regional Offices that are available to assist tribes with applying for and managing FTA grants.

A list of regional tribal transit liaisons can be found on FTA's website at http://www.fta.dot.gov/13094_15845.html. Tribes are encouraged to work directly with their regional tribal transit liaison.

Technical assistance for Indian tribes may also be available from the State DOT using the State's allocation of RTAP or funds available for State administration under section 5311, from the Tribal Transportation Assistance Program (TTAP) Centers supported by FHWA, and from the Community Transportation Association of America under a program funded by the United States Department of Agriculture (USDA). National RTAP will also be developing new resources for Tribal Transit. For more information about National RTAP, contact *Élan Flippin, Program Manager at 202-366-3800 or visit the National RTAP website http://www.nationalrtap.org.*

K. Research, Development, Demonstration, and Deployment Projects (49 U.S.C. 5312)

MAP-21 amended the section 5312: Research; Innovation and Development; and, Demonstration, Deployment and Evaluation to include a Low or No Emission Vehicle Deployment program to fund low or no emission vehicles, facilities, or related equipment in non-attainment or maintenance areas. Additionally, MAP-21 established a structured process for applications, evaluations, and reporting for the research programs. For more information contact *Vincent Valdes, Office of Research, Demonstration and Innovation, at (202) 366-3052 or Vincent.valdes@dot.gov.*

1. FY 2015 Funding Availability

The FY 2015 Appropriations provides a total of $30,000,000 for section 5312. Of this amount, $22,500,000 is allocated for the Low or No Emissions Vehicle Deployment Program.

2. Basis for Allocation

Topical areas are based on the Department's Strategic Goals and projects are generally selected through Notices of Funding Availability (NOFAs).

3. Requirements

Application Instructions and Program Management Guidelines are set forth in FTA Circular 6100.1D, *Research, Technical Assistance and Training Programs: Application Instructions and Program Management Guidelines.* FTA is in the process of updating this circular to incorporate changes resulting from MAP-21 and expects to publish a final circular in early 2015. All research recipients are required to work with FTA to develop approved Statements of Work. Under MAP-21, all research projects now require at least a 20 percent non-Federal share. In some cases, FTA may require a higher non-Federal share if FTA determines a recipient would obtain a clear and direct financial benefit from the project, or if non-Federal share is an evaluation factor under a competitive selection process. Projects under the Low or No Emission Vehicle Deployment Program are also subject to section 5307 requirements.

4. Period of Availability

Except for the Low or No Emission Vehicle Deployment Program, FTA establishes the period in which the funds must be obligated to the project. If the funds are not obligated within that period of time, they revert to FTA for reallocation under the program. Low or No Emission Vehicle Deployment funds are available for two years in addition to the year the funds are made available to a recipient, for a total of three years.

5. Other Program Information

Requests for research proposals will be published in Grants.gov. Awards for Low and No Emission Vehicle Deployment competition with previous fiscal year funds will be announced on February 5, 2015.

L. Transit Cooperative Research Program (49 U.S.C. 5313)

The Transit Cooperative Research Program (TCRP) funds a variety of applied research efforts for practitioners in the transit industry. TCRP is the cooperative effort of three organizations: the FTA; the National Academies, acting through the Transportation Research Board (TRB); and the Transit Development Corporation, Inc. (TDC), a nonprofit educational and research organization established by the American Public Transportation Association (APTA).

1. FY 2015 Funding Availability

The FY 2015 Appropriations provides a total of $3,000,000 for this section.

2. Basis for Allocation

TCRP issues annual calls for problem statements. For more information and past reports see www.tcrponline.org.

3. Requirements

Funds are allocated directly to the Transportation Research Board at the National Academies of Sciences. For application requirements for this program, please see www.tcrponline.org.

4. Period of Availability

The Transportation Research Board establishes the period in which funds must be obligated to a project.

M. Technical Assistance and Standards Development (49 U.S.C. 5314)

This section allows FTA to provide technical assistance to recipients to more effectively and efficiently provide transit service and to improve administration of federal transit funds. It also authorizes the development of voluntary and consensus-based standards and best practices. Additionally, through a competitive process, FTA may enter into agreements with national nonprofit organizations to assist providers of public transportation to: comply with the Americans with Disabilities Act (ADA); comply with human services transportation coordination requirements and enhance Federal coordination; to meet the transportation needs of elderly individuals; to increase transit ridership in coordination with MPOs and other entities through development around public transportation stations; to address transportation equity needs; and to provide any other technical assistance activities deemed necessary by FTA. For more information contact *Vincent Valdes, Office of Research, Demonstration and Innovation, at 202-366-3052 or vincent.valdes@dot.gov or Jamie Pfister, Office of Program Management, at 202-366-2053 or Jamie.pfister@dot.gov*.

1. FY 2015 Funding Availability

The FY 2015 Appropriations provides a total of $4,000,000 for this section.

2. Basis for Allocation

FTA will allocate funds based on identified technical assistance and standards needs for the transit industry and generally selected through a competitive process.

3. Requirements

Application Instructions and Program Management Guidelines are set forth in FTA Circular 6100.1D*, Research, Technical Assistance, and Training Programs: Application*

Instructions and Program Management Guidelines, dated May 1, 2011. FTA is in the process of updating this circular to incorporate changes resulting from language in MAP-21 and expects to publish the final circular in early 2015. All recipients of Technical Assistance and Standards funds are required to work with FTA to develop approved Statements of Work. Projects funded using grants require at least a 20 percent non-Federal share.

4. Period of Availability

FTA establishes the period in which funds must be obligated to a project. If the funds are not obligated within that period of time, they revert back to FTA for reallocation under the program.

5. Other Program Information

Requests for proposals will be published in Grants.gov.

N. Human Resources and Training Programs (49 U.S.C. 5322)

FTA may make grants or enter into contracts for human resource needs including: Employment training programs; outreach programs to increase minority and female employment; research on public transportation personnel and training need; and, training and assistance for minority business opportunities. Additionally, the Innovative Public Transportation Workforce Development program is a competitive grant program to assist in the development of innovative workforce activities.

A national transit institute is authorized under section 5322(d). The institute is authorized to develop training and education programs related to topics in public transportation. For more

information contact *Vincent Valdes, Office of Research, Demonstration and Innovation, at (202) 366-3052 or vincent.valdes@dot.gov*.

1. FY 2015 Funding Availability

The FY 2015 Appropriations provides $500,000 for this section to carry out human resource activities under section 5322(a), (b) and (e). There is $3,328,767 is available for a national transit institute authorized under section 5322(d).

2. Basis for Allocation

On September 5, 2014, FTA published a Notice of Funding Availability (NOFA) soliciting proposals for Ladders of Opportunity: Public Transportation Workforce Development Projects. FTA intends to use that solicitation and proposals received in response to that NOFA to allocate FY 2015 discretionary resources. Applications were due November 17, 2014. Specific eligibility for the discretionary resources was outlined in the NOFA. FTA will allocate funds based on identified workforce development and training needs, as well as by an innovative workforce development competition or through a standard award process.

3. Requirements

Application Instructions and Program Management Guidelines are set forth in FTA Circular 6100.1D, *Research, Technical Assistance, and Training Programs: Application Instructions and Program Management Guidelines*, dated May 1, 2011. FTA is in the process of updating this circular to incorporate changes resulting from language in MAP-21. All recipients of Human Resources and Training funds are required to work with FTA to develop approved Statements of Work. FTA may award funds through contracts or grants. Grants funded under

the Human Resources and Training and the Innovative Public Transportation Workforce Development Program require a 50 percent non-Federal share.

4. Period of Availability

FTA establishes the period in which funds must be obligated to a project. If the funds are not obligated within that period of time, they revert back to FTA for reallocation under the program.

5. Other Program Information

Requests for proposals will be published in Grants.gov.

O. Public Transportation Emergency Relief Program (49 U.S.C. 5324)

FTA's Emergency Relief (ER) Program is authorized to provide funding for public transportation expenses incurred as a result of an emergency or major disaster. No funding was provided in the FY 2015 Appropriations Act for this program. Eligible expenses include emergency operating expenses, such as evacuations, rescue operations, and expenses incurred to protect assets in advance of a disaster, as well as capital projects to protect, repair, reconstruct, or replace equipment and facilities of a public transportation system in the United States or on an Indian reservation that the Secretary determines is in danger of suffering serious damage or has suffered serious damage as a result of an emergency. While Congress did not provide funding for this program in FY 2015, in the event of a declared emergency or major disaster recipients may use funds apportioned under sections 5307 and 5311 for emergency purposes. However, recipients are advised that formula funds used for emergency purposes

will not be replaced or restored in the event that funding is subsequently made available through FTA under the ER Program or by FEMA.

In response to Hurricane Sandy, the Disaster Relief Appropriations Act of 2013 made $10.9 billion available (which was subsequently reduced to $10.2 billion by sequestration and intergovernmental transfers of funds to other bureaus and offices within DOT) for the Emergency Relief program for public transportation systems only in the affected areas. These funds cannot be used for other disasters. FTA has announced and allocated funding for affected transit agencies within the declared disaster area through a series of *Federal Register* notices beginning in 2013 and continuing through 2014.

In order for an agency to be eligible for Emergency Relief funding, the agency must have been affected by an emergency as defined under section 5324. Section 5324(a)(2) defines an emergency as "a natural disaster affecting a wide area (such as a flood, hurricane, tidal wave, earthquake, severe storm) or a catastrophic failure from any external cause as a result of which (a) the Governor of a State has declared an emergency and the Secretary has concurred or (b) the President has declared a major disaster under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act." Expenses incurred due to incidents that do not rise to the level of a Governor's declaration with concurrence by the Secretary of Transportation will not be eligible to be funded under section 5324. Further, in the event of a Presidential declaration of emergency, FTA may reimburse only those expenses that are not reimbursed under the Stafford Act. If funding is available under the Emergency Relief program for a public transportation system affected by an emergency, agencies are directed to seek emergency relief from FTA rather than FEMA.

If a recipient has been affected by an emergency or major disaster, the recipient should contact the appropriate FTA Regional Office as soon as practicable to determine whether Emergency Relief funds are available, and to notify it that it plans to seek reimbursement for emergency operations and/or repairs that have already taken place or are in process. If Emergency Relief funds are unavailable the recipient may seek reimbursement from FEMA. Properly documented costs for which the grantee has not received reimbursement from FEMA may later be reimbursed by grants made either from section 5324 funding (if appropriated) or section 5307 and 5311 program funding, once the eligible recipient formally applies to FTA for reimbursement and FTA determines that the expenses are eligible for emergency relief.

On October 7, 2014, FTA published final program regulations for the Emergency Relief Program at 49 C.F.R. part 602. This final rule replaces the interim final rule published on March 29, 2013. This final rule establishes and clarifies the procedures and eligibility requirements for entities seeking or receiving funding under this program. FTA solicited and responded to public comments in the development of these regulations.

FTA anticipates publishing for notice and comment a program guidance manual for the ER Program in early 2015. This guidance manual will contain additional information on the procedures, eligibility requirements, and recommended practices for entities that have been or may be affected by an emergency or disaster, including those seeking or receiving funding under this program. FTA will solicit and respond to public comments on this manual. The publication of this guidance manual will be announced in a subsequent notice.

Additional information about the Emergency Relief program and FTA's response to Hurricane Sandy is available on the FTA website at www.fta.dot.gov/emergencyrelief.

For more information on the ER Program or FTA's response to Hurricane Sandy, contact Adam Schildge, Office of Program Management, at 202-366-0778 or adam.schildge@dot.gov. For questions regarding the Final Rule, contact *Bonnie Graves, Office of Chief Counsel, at 202-366-4011 or bonnie.graves@dot.gov*.

P. State Safety Oversight Grant Program (49 U.S.C. 5329(e)(6))

MAP-21 establishes a Public Transportation Safety Program (section 5329) authorizing FTA to establish and enforce a new comprehensive framework to oversee the safety of public transportation throughout the United States. Section 5329(e)(6) of 49 U.S.C. provides funding to support States with rail fixed guideway public transportation systems (rail transit systems) to develop and carry out State Safety Oversight (SSO) Programs consistent with the requirements of MAP-21. For more information about the State Safety Oversight Formula Grant Program, *contact Maria Wright, Office of Safety Review, at (202)366-5922 or Maria1.Wright@dot.gov*.

1. Funding Available

Under MAP-21, there is a 0.5 percent take-down from the section 5307 Urbanized Area Formula grant program that provides the funding to be apportioned to States for SSO program activities. For the partial FY 2015 year apportionment, the amount available for the SSO program is $14,841,808.

2. Basis for Allocation

FTA apportions SSO grant program funds to eligible States using a three-tier formula based on statutory requirements:

(a) Tier 1, the Service Tier, apportions sixty percent (60%) of available funds based the vehicle passenger miles (PMT), vehicle revenue miles (VRM), and directional route miles (DRM) reported by the rail fixed guideway public transportation systems in each State. The Service Tier also includes a cap so that no State can receive more than 15% of the funding available for each of the above service measures (i.e. PMT, VRM, DRM).

(b) Tier 2, the Base Tier, apportions twenty percent (20%) of available funds equally to each eligible State, to ensure a minimum funding level for each State, regardless of the level of service provided by the rail transit agencies overseen in the program.

(c) FTA apportions the remaining twenty percent (20%) through Tier 3, the Modal Tier, which takes into account the number of separate rail transit systems (e.g., light rail, heavy rail, etc.) not regulated by the FRA in each State's jurisdiction. The Modal Tier also includes rail transit agencies in engineering or construction that are overseen by the State.

3. Program Requirements

i. *Eligible Recipients.*

Eligible recipients include any eligible State or entity designated by the eligible State(s) with the legal capacity to perform all of the following responsibilities: (a) receive and dispense Federal funds for the purposes of the State Safety Oversight Program (SSOP); (b) submit grant applications to FTA; and (c) enter into formal grant agreements with FTA.

ii. *Eligible Activities.*

FTA requires each applicant to demonstrate in its grant application that its proposed grant activities will develop, lead to, or carry out an enhanced SSOP that meets the requirements under 49 U.S.C. 5329(e). Grant funds may be used for program operational and administrative expenses, including employee training activities.

Grant funds under this program used for activities related to oversight of rail transit systems within an SSOA's jurisdiction must meet the definition of a rail fixed guideway public transportation system, including those rail transit systems in operation, in the engineering or construction phase of development, and those in a planning or other earlier phase occurring prior to the engineering or construction phase as long as that rail transit system meets all applicable Federal requirements. FTA maintains a list of these systems based on documentation provided by States in annual reports and other submittals to FTA. Eligible States should contact FTA as soon as they become aware of a new rail transit system in planning, engineering, construction, or operations in their jurisdictions.

Eligible States must detail how they will use SSO Formula Grant Funds in certification work plans and SSO grant applications. SSO formula grant funds may only be used to support activities that meet existing 49 CFR part 659 requirements if those activities also meet 49 U.S.C. 5329(e). FTA has provided FAQs to further clarify eligible activities: http://www.fta.dot.gov/tso.html.

FTA is in the process of implementing the National Public Transportation Safety Program under 49 U.S.C. 5329, and a rulemaking on the SSO Program, among other

things, is expected under 49 U.S.C. 5329(e). If FTA subsequently establishes criteria or conditions for grants made under the SSO Formula Grant Program that are different from those in this notice, the different criteria or conditions will not be applied retroactively to applications submitted or grants awarded consistent with this notice, unless the change benefits the applicant.

iii. SSOP Certification

As stated in the FTA's March 14, 2014 Federal Register notice on the SSO Formula Grant Program, the SSO grant award and certification processes are considered separate and distinct from each other. FTA announced the initial certification status of each eligible State on October 1, 2013. To determine this status, FTA evaluated each eligible State's submitted SSO program against the statutory mandates set forth in 49 U.S.C. 5329(e). As required in 49 U.S.C. 5329(e)(7), FTA provided each State with the results of this evaluation in writing by October 1, 2013. FTA also conducted teleconference calls with the eligible States to review these results.

States that were certified may be awarded grants to cover the costs associated with implementing or carrying out their SSO programs. States that were not certified, but received FTA approval to submit grant applications, may be awarded grants to support initial development and implementation of enhanced SSOPs.

To confirm States use their grant funds to enhance their SSOPs in ways that address MAP–21 requirements, FTA intends for States to use FTA's October 1, 2013

certification correspondence and the supporting teleconference calls to develop work plans to supplement their applications to FTA's new SSO Formula Grant Program.

States that are not certified are required to provide these work plans as part of the grant application process. An eligible State's work plan must be submitted and approved prior to submission of the State's grant application. States that are certified are encouraged, but not required, to submit work plans that will further enhance their SSOPs.

These work plans should demonstrate a clear and workable transition to meet MAP–21 statutory requirements. They should identify gaps or deficiencies in their respective State's authorizing safety legislation relative to MAP–21 statutory requirements, articulate a clear end result to achieve compliance, and identify eligible activities with reasonable timeframes to accomplish these goals. FTA will provide States with a work plan template, as well as supporting materials for addressing some of the more common gaps in meeting MAP–21 provisions. These materials are available on the FTA Web site at: http://www.fta.dot.gov/tso.html.

States are not required to use these materials and may use a format of their choice when developing their work plan.

FTA will work with grantees to identify meaningful milestones to apply grant funding. FTA will review each plan to assess compliance with MAP–21 statutory requirements and the reasonableness of the activities and timeframes proposed. FTA must accept each State's work plan before the State may submit its grant application and the funds can be awarded. FTA will work closely with each eligible State to

determine conformance with these eligibility criteria and to develop these transition or remedial work plans to address any non-compliance with these criteria.

FTA will conduct quarterly teleconference calls and quarterly and annual reporting to monitor the progress of eligible States in meeting MAP-21 statutory requirements.

iv. Ineligible Activities

The SSO Formula Grant Program specified in 49 U.S.C. 5329(e)(6) is intended to support administrative and operating costs for State safety oversight of rail transit systems. Therefore, the following costs are ineligible:

(a) Project costs that cover rail transit system expenses;

(b) Project costs for State activities unrelated to the SSOP;

(c) Project costs that directly support the operation or maintenance of a rail transit system;

(d) Project costs for which the recipient has received funding from another Federal agency; and

(e) Other project costs that FTA determines are not appropriate for the SSOP.

To find standards for determining eligible and ineligible expenses, see 2 CFR part 200.

v. Grant Application Procedures

To receive the funds apportioned through this formula, each eligible State must be or become an FTA grantee. Eligible States should follow these steps to begin the grant application process:

(a) Identify FTA grant recipient: Each Governor will need to identify the State agency that will be the FTA grant recipient for these program funds by sending a letter to the appropriate FTA Regional Administrator. A listing of FTA Regional Offices and full contact information is available at http://www.fta.dot.gov/.

(b) Coordinate with the FTA Regional Office: The identified grant recipient should work with the FTA Regional Office to determine what additional activities or information are required with respect to the new SSO Formula Grant Program. If the identified grant recipient is not an existing FTA grant recipient, it must work with the appropriate FTA Regional Office to be established as a new FTA recipient. The FTA Regional Office will identify the specific activities necessary to become established as a FTA recipient.

(c) Identify sufficient and allowable matching funds: Eligible States are required to provide a twenty percent (20%) match for FTA-funded SSOP activities.

vi. Grant Requirements

Section 5329(e)(6)(B)(ii) requires that grant funds apportioned to eligible States must be subject to uniform administrative requirements for grants and cooperative agreements to State and local governments under part 18 of title 49, Code of Federal Regulations for grants awarded prior to December 26, 2014 and 2 CFR part 200 and 2 CFR part 1201 for grants awarded on or after December 26, 2014 and as well as

amendments to grants after that date. Among these requirements, the following terms and conditions apply:

(a) Work Plan Submission Requirements. States that have not yet been certified as part of FTA's October 1, 2013 initial certification determination must submit a work plan. The work plan must identify and address gaps and deficiencies in the State's SSOP to meet 49 U.S.C. 5329(e) requirements.

(b) 49 CFR Part 659. Until three years after a final rule issued by FTA, 49 U.S.C. 5330 and its implementing regulations at 49 CFR part 659 will stay effective. In order to receive FTA funding for its SSOP, recipients in compliance with 49 CFR part 659 as of October 1, 2013, must, at a minimum, maintain compliance until these provisions are repealed. However, as stated above, SSO Formula Grant Program funds may not be used to support activities that meet 49 CFR part 659 requirements unless those activities also meet 49 U.S.C. 5329(e) requirements.

(c) Local Share. FTA's formula provides a Federal share covering up to eighty percent (80%) of the eligible project costs of an SSOP grant developed or carried out under MAP–21. Eligible States must provide at least a twenty percent (20%) local share. The twenty percent (20%) local share may not include other Federal funds, any funds received by the State from a rail transit agency, or any revenues earned by a rail transit agency. Section 5329(e)(4)(A)(i) requires each SSOA to be financially and legally independent from any public transportation entity it oversees. States that currently rely entirely upon fees, assessments, or funding from rail transit systems in their jurisdiction to fund SSO activities are unable to use those funds for any SSO

Formula Grant Program activities and will need to address this issue of financial and legal independence as part of their work plan. FTA will work with these States on an individual basis, to the extent necessary, to identify permissible local share sources. States overseeing multi-state operations may include funds collected from partner States as part of their local share as long as those funds are not otherwise prohibited under this Grant Program. As part of the grant application, States need to include the source of the local match. In addition, for those States overseeing multi-state operations must show evidence of agreement regarding how the local share will be met among the States.

4. Period of Availability

SSO Formula Grant Program funds are available for three years (year of apportionment plus two additional years). Any FY 2015 funds that remain unobligated at the close of business on September 30, 2017 will revert to FTA for reapportionment under the SSO Formula Grant Program.

5. Other Program Requirements

i. Pre-award authority

Grantees may be reimbursed for eligible activities incurred as of the date of publication of this notice, provided the grantee has been certified or upon approval of a certification work plan. A grant marked for pre-award authority cannot be executed unless the Initial Federal Financial Report (FFR) has been completed in TEAM-Web. Please see the most current version of FTA Circular 5010, ‘‘Grants Management

Guidelines'' found on FTA's Circular Web page. (http://www.fta.dot.gov/circulars) or contact your Regional Office for more information.

ii. *Procurement and contracting guidelines*

FTA procurement and contracting requirements apply to projects funded by the SSO Formula Grant Program. For additional information, please see the latest version of FTA Circular 4220.1, ''Third Party Contracting Guidance.'' (http:// www.fta.dot.gov/circulars)

iii. *Grant Management*

FTA Circular 5010, ''Grants Management Guidelines'' (http://www.fta.dot.gov/circulars) provides FTA's grant management requirements. All recipients need to affirm the current version of FTA's Master Agreement, which contains the terms and conditions applicable to awards of Federal financial assistance. The Master Agreement will be incorporated by reference and made part of the underlying Grant Agreement when executed. The latest Master Agreement can be found on FTA's Web site (http://www.fta.dot.gov/grants/15072.html).

iv. *Annual Certifications and Assurances*

Each Applicant for (and later Recipient of) SSO grant funds must sign and submit the required Certifications and Assurances and submit updated Certifications and Assurances annually thereafter. Submissions may be made electronically through TEAM-Web (or its successor, TrAMS). The latest Certifications and Assurances can be found on FTA's Web site at http://www.fta.dot.gov/grants/13071.html.

v. *Planning requirements*

Projects funded by the SSO Formula Grant Program may, but are not required to, be included in the Statewide Transportation Improvement Program (STIP) or a Metropolitan Transportation Improvement Plan (TIP). Inclusion of such projects in the STIP or TIP is not a prerequisite in order to be reimbursed by FTA.

vi. Cost Principles (2 CFR Part 200 subpart E)

Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses. Grantees should exercise care when incurring costs to confirm all expenditures meet the criteria of eligible costs. Failure to comply with these requirements may result in expenditures for which use of project funds cannot be authorized. For further information on allowable costs and FTA financial grant management expectations, please refer to the most current version of FTA Circular 5010, ''Grants Management Guidelines'' Chapter VI, ''Financial Management.'' The document can be found at the following web address: http://www.fta.dot.gov/documents/C_ 5010_1D_Finalpub.pdf.

Q. State of Good Repair Program (49 U.S.C. 5337)

The State of Good Repair (SGR) Grant program provides capital assistance for maintenance, rehabilitation, and replacement projects of existing fixed guideway and high intensity motorbus systems to maintain a state of good repair. FTA estimates that a backlog of $86 billion of transit assets need to be replaced or repaired and that number continues to grow. Additionally, SGR grants are eligible for developing and implementing Transit Asset Management plans. This program provides funding for the following transit modes: rapid rail

(heavy rail), commuter rail, light rail, hybrid rail, monorail, automated guideway, trolleybus (using overhead catenary), aerial tramway, cable car, inclined plane (funicular), passenger ferries, bus rapid transit, and fixed-route bus services operating on high-occupancy-vehicle (HOV) facilities.

MAP-21replaces and modifies elements of the fixed guideway modernization program (section 5309) with this program. Projects, including new maintenance facilities or maintenance equipment, that solely expand capacity or service are not eligible projects. However, FTA will permit expansion of capacity within replacement projects to meet current or projected short-term service needs (e.g., replacing a maintenance facility with a larger facility, or replacing a bus with a larger bus). The SGR program is intended to fund projects to maintain, replace or rehabilitate transit assets of existing fixed guideway and high intensity motorbus systems.

FTA published the State of Good Repair program guidance, FTA Circular 5300.1, *State of Good Repair Grants Program: Guidance and Application Instructions*, dated January 28, 2015. The circular can be accessed at www.fta.dot.gov/circulars.

For more information about the SGR program, contact *Eric Hu, Office of Transit Programs, at (202) 366-0870 or eric.hu@dot.gov.*

1. FY 2015 Funding Availability

The FY 2015 Appropriations provides a total of $1,441,955,342 for the SGR program. After a 0.75 percent oversight takedown from the amount apportioned to the fixed guideway tier, the total amount allocated for the SGR program is $1,431,448,895, as shown in the table below.

State of Good Repair Formula Grant Program – FY 2015

Total Appropriation	$1,441,955,342/a
Oversight Deductions	- $10,506,447
Total Apportioned	$1,431,448,895

A Total Appropriation includes $1,400,859,615 for the High Intensity Fixed Guideway tier and $41,095,727 for the High Intensity Motorbus tier.

Table 11 shows the FY 2015 SGR Program formula apportionments to eligible UZAs.

2. Basis for Allocation

FTA allocates SGR program funds according to a statutory formula. Funds are apportioned to UZAs with fixed guideway and high intensity motorbus systems that have been in operation for at least seven years. This means that only segments of fixed guideway and high intensity motorbus systems that entered into revenue service on or before September 30, 2007 are included in the formula, as identified in the NTD.

The law requires that 97.15 percent of the total amount authorized for the SGR program be apportioned to UZAs with ``high intensity fixed guideway'' systems. The apportionments to UZAs with ``high intensity fixed guideway'' systems are determined by two equal elements: (1) the proportion a recipient would have received of the fiscal year 2011 apportionment for 49 U.S.C. 5337, as it then existed, if calculated using the current version of 49 U.S.C. 5336(b)(1) and the current definition of “fixed guideway” at 49 U.S.C. 5337(a); (2) the proportion of vehicle revenue miles of an UZA to the total vehicle revenue miles of all UZAs and the proportion of directional route miles of an UZA to the total directional route miles of all UZAs. High Intensity Motorbus systems will receive the remaining 2.85 percent of the total amount authorized for the SGR program, and the apportionments to UZAs are based on vehicle revenue miles and directional route miles. Apportionment changes resulting from the exclusion of vehicle revenue

and directional miles reported from bus service provided other than on High Occupancy Vehicle (HOV) lanes will take effect in FY 2016.

Vehicle revenue miles and directional route miles that are attributable to an UZA must be placed in revenue service at least 7 years before the first day of the fiscal year. FTA will apportion section 5337 funds to the section 5307 Designated Recipient for the UZA with fixed guideway transportation systems operating at least 7 years. The Designated Recipients will then allocate funds as appropriate to recipients that are public entities in the UZA and provide split letters to the FTA. FTA can make grants to direct recipients after sub-allocation of funds.

3. Requirements

In addition to the program guidance found in the circular, all recipients will need to certify that they will comply with the forthcoming rule issued under section 5326 for the Transit Asset Management plan, and SGR projects will need to be included in recipients' Transit Asset Management plans. This requirement is subject to FTA rulemaking and will become effective only after the rule is issued.

While funds are apportioned based only on fixed guideway and high intensity motorbus segments that have been in operation seven years or longer, a recipient may use the funds apportioned to it for eligible maintenance, replacement, and rehabilitation projects on any part of its existing fixed guideway system. Eligible capital projects are those necessary to maintain fixed guideway systems in a state of good repair, including projects to replace and rehabilitate:

i. Rolling stock;

ii. Track;

iii. Line equipment and structures;

iv. Signals and communications;

v. Power equipment and substations;

vi. Passenger stations and terminals;

vii. Security equipment and systems;

viii. Maintenance facilities and equipment;

ix. Operational support equipment, including computer hardware and software;

x. Development and implementation of a transit asset management plan; and

xi. Other replacement and rehabilitation projects FTA determines appropriate.

Allowable activities within eligible replacement projects include the replacement of older features with new ones. Allowable activities within eligible rehabilitation projects include the incorporation of current design standards and additional features required by Federal law. Equipment, vehicles, and facilities to be replaced must have reached or exceeded its minimum useful life to be eligible for SGR funds.

In addition to replacement and rehabilitation, new maintenance facilities or maintenance equipment are eligible if needed to maintain the existing fixed guideway system or equipment in a state of good repair. Also, preventive maintenance activities are eligible.

FTA will permit expansion of capacity within eligible replacement projects to meet current or projected short-term service needs (e.g., replacing a maintenance facility with a larger facility, or replacing a bus with a larger bus). For any expansion elements included in a replacement project, the grantee will need to address how the project meets current or short term service

levels. FTA will review the reasonableness of such expansion elements when reviewing the grant.

4. Period of Availability

The SGR funds apportioned in this notice are available for obligation during FY 2015 plus three additional years. Accordingly, funds apportioned in FY 2015 must be obligated in grants by September 30, 2018. Any FY 2015 apportioned funds that remain unobligated at the close of business on September 30, 2018 will revert to FTA for reapportionment under the SGR Program.

5. Other Program Information

Projects that maintain and rehabilitate capital assets used for bus service other than on High Occupancy Vehicle (HOV) lanes, such as High Occupancy Toll (HOT) lanes, are not eligible for high intensity motorbus funds. High intensity motorbus funds may be used for public transportation service provided on HOV lanes during peak hours. Apportionment changes resulting from the exclusion of bus service other than on HOV will take effect in FY 2016.

R. Bus and Bus Facilities Formula Grants (49 U.S.C. 5339)

MAP-21 established the Bus and Bus Facilities Formula program, replacing some of the elements of the former Bus and Bus Facilities discretionary program under SAFETEA-LU. The program provides funding to replace, rehabilitate, and purchase buses and related equipment well as construct bus-related facilities.

Eligible recipients are designated recipients and States that operate or allocate funding to fixed-route bus operators. Eligible subrecipients include public agencies or private nonprofit organizations engaged in public transportation, including those providing services open to a

segment of the general public, as defined by age, disability, or low income. While the statute limits eligible recipients to fixed route bus operators or those entities that allocate funding to fixed route bus operators, eligible projects are not restricted to fixed route bus capital projects.

FTA is in the process of finalizing the program circular (FTA Circular 5100.1), which was published for notice and comment in July 2014. In the meantime, recipients should review the sections below for interim program guidance combined with the previously published interim guidance contained in the FY 2013 Apportionment Notice, dated October 16, 2012. For more information about the Bus and Bus Facilities program, *contact Sam Snead, Office of Transit Programs, at (202) 366-1089 or samuel.snead@dot.gov*.

1. FY 2015 Funding Availability

The FY 2015 Appropriations provides a total of $284,809,315 for the Bus and Bus Facilities program. After the take-down for the States and Territories (National Distribution), $241,202,466 is available to be apportioned to the UZAs, as shown below.

Bus and Bus Facilities – FY 2015	
Total Appropriation	$284,809,315
State and Territory Allocation	- $43,606,849
Total Apportioned	$241,202,466

Table 12 shows the FY 2015 Bus and Bus Facilities formula apportionments to States, Territories, and UZAs.

2. Basis for Allocation

Funds are apportioned according to a statutory formula. However, State and Territories (including the District of Columbia and Puerto Rico) receive a fixed allocation before FTA

applies the formula. This fixed allocation, referred to as the National Distribution allocation, provides each State $832,192 and each territory $332,877. These funds are available for use anywhere in the State or Territory. The remainder of the funding is apportioned for UZAs based on population, vehicle revenue miles and passenger miles and is specifically for use in UZAs.

For large UZAs, the Designated Recipient(s) work with interested parties, including the MPO, to allocate amounts among eligible subrecipients. The Designated Recipient in consultation with interested parties should determine the subarea allocation fairly and rationally through a process based on local needs.

Pursuant to section 5339(c)(2), except for the funds set aside for distribution to each state, funds available to carry out section 5339 are apportioned consistent with the formula set forth in section 5336 other than subsection (b). Pursuant to section 5336(e), the Governor exercises the authority to allocate section 5339 formula apportionments to all small UZAs within the State – including those that lie within the planning areas of MPOs serving TMAs. Federal law clearly states that it is up to the State to determine the distribution method for section 5339 funds among small UZAs, and inclusion of small UZAs within the planning area of an MPO that serves a transportation management area (TMA) does not change the status of those small UZAs. They are still small UZAs and subject to the Governor's allocation. There is no legal prohibition to the Governor allocating the apportioned funds through competition. Regardless of how the State decides to allocate the section 5339 bus funds, the MPO, the State, and the transportation operators are reminded that, with exceptions not relevant in this case, projects not included in a federally-approved Statewide Transportation Improvement Program (STIP) will not be eligible to receive those program funds. (See 23 CFR 450.330(d)).

3. Requirements

Eligible capital projects include projects to replace, rehabilitate, and purchase buses and related equipment, and projects to construct bus-related facilities. This includes the acquisition of buses for fleet and service expansion, bus maintenance and administrative facilities, transfer facilities, bus malls, transportation centers, intermodal terminals, park-and-ride stations, acquisition of replacement vehicles, bus rebuilds, passenger amenities such as passenger shelters and bus stop signs, accessory and miscellaneous equipment such as mobile radio units, supervisory vehicles, fare boxes, computers, and shop and garage equipment. While bus rehabilitation activities (e.g. rebuilds to extend the useful life) are eligible, preventive maintenance is not eligible under this program. The draft circular included language that stated that mid-life overhauls are not eligible as they are a form of preventive maintenance. FTA is reviewing comments related to this topic as well as others and will address those comments in the *Federal Register* notice accompanying the publication of the final circular. The grant requirements of section 5307, such as the requirement for Department of Labor Certification, apply to recipients of grants made under this section.

Section 5339 limits eligible direct (grant) recipients under this program to the Designated Recipients in large UZAs and States for all areas under 200,000 in population (small UZAs and rural areas). States are expected to be the grant recipient for the National Distribution amounts, unless the funds are transferred to a 5307 recipient. Please see additional guidance for permissible transfers in "Other Program Information" section below.

A grant for a capital project under this section shall be for 80 percent of the net capital costs of the project, unless a recipient of a grant provides additional local matching amounts.

The local match shall be provided in cash from non-Government sources other than revenues from providing public transportation services; from revenues derived from the sale of advertisement or concessions; from undistributed cash surplus, a replacement or depreciation cash fund or reserve, or new capital; or from amounts received under a service agreement with a State or local social service agency or private social service organization.

FTA is in the process of finalizing the circular for this formula program. In the meantime, grantees can utilize program guidance and requirements found in this notice along with the interim guidance published in the *Federal Register* on October 16, 2012 (See 77 FR 63669), combined with the FTA circular for the former discretionary Bus program, which can be found in FTA Circular 9300.1B, *Bus and Bus Facilities Instructions.*

4. Period of Availability

The Bus and Bus Facilities Formula Program funds apportioned in this notice are available for obligation during FY 2015 plus three additional years. Accordingly, funds apportioned in FY 2015 must be obligated in grants by September 30, 2018. Any FY 2015 apportioned funds that remain unobligated at the close of business on September 30, 2018 will revert to FTA for reapportionment under the Bus and Bus Facilities Formula Program.

5. Other Program Information

The only allowable transfer provision for these program funds to another FTA program applies to the National Distribution allocation. The Governor of a State may transfer any part of the State's National Distribution amounts to supplement funding under the rural areas (section 5311) or urbanized areas (5307) formula programs. If transferred to a 5307 direct recipient (in a

large or small UZA), FTA will permit the recipient to apply directly for the funds in a 5307 grant. However, the funds can only be used for purposes eligible under Section 5339.

As for the funding apportioned by formula, for small UZAs, the Governor has flexibility to allocate the funds among the small UZAs to meet the capital bus needs in those areas.

S. Growing States and High Density States Formula Factors (49 U.S.C. 5340)

FTA continues to use formula factors (established under 49 U.S.C. 5340) to distribute additional funds to the section 5307 and section 5311 programs for Growing States and High Density States. FTA publishes single UZA and rural apportionments that show the total amount for 5307 and 5311 programs that includes apportionments for these programs together with section 5340.

1. FY 2015 Funding Availability

The FY 2015 Appropriation provides $350,119,726 to be apportioned using the formula factors prescribed for Growing States and High Density States set forth in section 5340.

2. Basis for Allocation

Under the Growing States portion of the section 5340 formula, 50 percent of funds are allocated to States on the basis of their projected population growth. FTA projects each State's 2025 population by comparing each State's apportionment year population (as determined by the Census Bureau) to the State's 2010 Census population and extrapolating to 2025 based on each State's rate of population growth between 2010 and the apportionment year. Each State receives a share of Growing States funds on the basis of its projected 2025 population relative to the nationwide projected 2025 population.

Once each State's share is calculated, funds attributable to that State are divided into an UZA allocation and a non-UZA allocation on the basis of the percentage of each State's 2010 Census population that resides in UZA and non-UZA areas. Urbanized areas receive portions of their State's urbanized area allocation on the basis of the 2010 Census population in that UZA relative to the total 2010 Census population in all UZAs in the State. These amounts are added to the UZA's section 5307 apportionment.

The States' rural area allocation is added to the allocation that each State receives under the section 5311 Formula Grants for Rural Areas program.

The remaining 50 percent of the section 5340 funds are allocated under the High Density States portion of the section 5340 formula. These funds are allocated to UZAs in States with a population density equal to or greater than 370 persons per square mile. Based on this threshold and 2010 Census data, the States that qualify are Maryland, Delaware, Massachusetts, Connecticut, Rhode Island, New York and New Jersey (these are the same States that qualified under SAFETEA-LU). The amount of funds provided to each of these seven States is allocated on the basis of the population density of the individual State relative to the population density of all seven States. Once funds are allocated to each State, funds are then allocated to UZAs within the States on the basis of an individual UZA's population relative to the population of all UZAs in that State.

FTA cannot provide unit values for the Growing States or High Density formulas because the apportionments to individual States and UZAs are based on their relative population data, rather than on a national per capita basis.

T. Washington Metropolitan Area Transit Authority Grants

The FY 2015 Appropriations provides $150,000,000 for grants to the Washington Metropolitan Area Transit Authority (WMATA). Such funding is authorized under section 601 of the Passenger Rail Investment and Improvement Act of 2008. See Public Law 110–432, Division B, Title VI.

Grants may be provided for capital and preventive maintenance expenditures for WMATA after (1) FTA certifies that WMATA is making significant progress in eliminating the material weaknesses, significant deficiencies, and minor control deficiencies in the most recent Financial Management Oversight Review; and (2) FTA determines that WMATA has placed the highest priority on investments that will improve the safety of the system.

FTA will communicate further program requirements directly to WMATA.

V. FTA Policy and Procedures for FY 2015 Grants

A. Automatic Pre-Award Authority To Incur Project Costs

This section includes some changes to automatic pre-award authority published in previous notices, particularly in light of the new authorization and several new formula programs, some of which will require new Designated Recipients before projects costs can be reimbursed.

1. Caution to New Grantees and for New Formula Programs

While FTA provides pre-award authority to incur expenses before grant award for formula programs, it recommends that first-time grant recipients and recipients of grants under new formula programs NOT utilize this automatic pre-award authority without verifying with the appropriate FTA Regional Office that all pre-requisite requirements have been met. As a new grantee, it is easy to misunderstand pre-award authority conditions and be unaware of all of the

applicable FTA requirements that must be met in order to be reimbursed for project expenditures incurred in advance of grant award. FTA programs have specific statutory requirements that are often different from those for other Federal grant programs with which new grantees may be familiar. If funds are expended for an ineligible project or activity, or for an eligible activity but at an inappropriate time (e.g., prior to NEPA completion), FTA will be unable to reimburse the project sponsor and, in certain cases, the entire project may be rendered ineligible for FTA assistance.

2. Policy

FTA provides pre-award authority to incur expenses before grant award for certain program areas described below. This pre-award authority allows grantees to incur certain project costs before grant approval and retain the eligibility of those costs for subsequent reimbursement after grant approval. The grantee assumes all risk and is responsible for ensuring that all conditions are met to retain eligibility. This pre-award spending authority permits an eligible grantee to incur costs on an eligible transit capital, operating, planning, or administrative project without prejudice to possible future Federal participation in the cost of the project. In this notice, FTA provides pre-award authority until September 30, 2017 for capital assistance under all formula programs, so long as the conditions described below are met. Historically, FTA provides pre-award authority until the end of the authorization period and then extends it in one to two year increments. Recipients entering into any contracts that assume federal funding beyond September 30, 2017, should contact their Regional Office to request a letter of no prejudice (see section below). FTA provides pre-award authority for planning and operating assistance under the formula programs without regard to the period of the authorization. For a discretionary program in which FTA publishes a Notice of Funding Availability (NOFA),

recipients should refer to the specific NOFA or notice of award for specific details as to the eligibility of pre-award authority for that funding opportunity. Additional information pertaining to specific uses of pre-award authority is below:

i. *Operating, Planning, or Administrative Assistance.* FTA does not impose additional conditions on pre-award authority for operating, planning, or administrative assistance under the formula grant programs. Grantees may be reimbursed for expenses incurred before grant award so long as funds have been expended in accordance with all Federal requirements, and the grantee is otherwise eligible to receive the funding. In addition to cross-cutting Federal grant requirements, program specific requirements must be met. For example, a planning project must have been included in a Unified Planning Work Program (UPWP); a 5310 project must have been included in a coordinated public transit-human services transportation plan (coordinated plan) and selected by the Designated Recipient before incurring expenses; expenditure on State Administration expenses under State Administered programs must be consistent with the State Management Plan (as defined in the most current version of FTA Circular 9040.1, Chapter 6). Designated Recipients for section 5310 have pre-award authority for the ten percent of the apportionment they may use for program administration.

ii. *Transit Capital Projects.* For transit capital projects, the date that costs may be incurred is: (1) for design and environmental review, the date of the authorization of formula funds or the date of the announcement of the discretionary allocation of funds for the project; (2) for property acquisition,

demolition, construction, and acquisition of vehicles, equipment, or construction materials for projects that qualify for a categorical exclusion pursuant to 23 CFR 771.118(c), the date of the authorization of formula funds or the date of the announcement of the discretionary allocation of funds for the project; and (3) for property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials for projects that require a categorical exclusion pursuant to 23 CFR 771.118(d), an environmental assessment, or an environmental impact statement, the date that FTA completes the environmental review process required by NEPA and its implementing regulations by its issuance of a Section 771.118(d) categorical exclusion determination, a Finding of No Significant Impact (FONSI), or a Record of Decision (ROD). For projects that qualify for a categorical exclusion pursuant to 23 CFR 771.118(c), if a project is subsequently found not to qualify for this CE, it will be ineligible for FTA assistance. FTA recommends that any grant applicant that is concerned that a larger project may not clearly qualify for the CEs at 23 CFR 771.118(c)(8), (c)(9), (c)(10), (c)(12), and (c)(13), contact FTA's Regional Office for assistance in determining the appropriate environmental review process and level of documentation necessary before incurring costs for property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials.

iii. *New Starts, Small Starts and Core Capacity Projects.* The pre-award authority described above does not apply to section 5309 Fixed Guideway Capital Investment Grant Program (CIG) projects. Specific instances of pre-award

authority for CIG Program projects are described in paragraph 4 below. If pre-award authority has not been granted for a particular type of work on a CIG program project, the project sponsor must obtain a written Letter of No Prejudice (LONP) from FTA before starting that work. To obtain an LONP for a CIG program project, a grantee must submit a written request accompanied by adequate information and justification to the appropriate FTA Regional Office, as described in Section 4. below.

iv. *Research, Technical Assistance, and Training.* Unless provided for in an announcement of project selections, pre-award authority does not apply to section 5312 Research, development, demonstration, and deployment projects, section 5314 Technical Assistance and Standards Development, or section 5322 Human Resources and Training. Before an applicant may incur costs for activities under these programs, it must first obtain a written Letter of No Prejudice (LONP) from FTA. To obtain an LONP for a Research, Technical Assistance or Training project, a grantee must submit a written request accompanied by adequate information and justification to the appropriate FTA headquarters office. Information about LONP procedures may be obtained from the appropriate headquarters office.

3. Conditions

Before incurring costs, grantees are strongly encouraged to consult with the appropriate FTA Regional Office regarding the eligibility of the project for future FTA funds and for questions on environmental requirements, or any other Federal requirements that must be met.

The conditions under which pre-award authority may be utilized are specified below:

i. Pre-award authority is not a legal or implied commitment that the subject project will be approved for FTA assistance or that FTA will obligate Federal funds. Furthermore, it is not a legal or implied commitment that all items undertaken by the applicant will be eligible for inclusion in the project.

ii. All FTA statutory, procedural, and contractual requirements must be met.

iii. No action will be taken by the grantee that prejudices the legal and administrative findings that the Federal Transit Administrator must make in order to approve a project.

iv. Local funds expended by the grantee after the date of the pre-award authority will be eligible for credit toward local match or reimbursement if FTA later makes a grant or grant amendment for the project. Local funds expended by the grantee before the date of the pre-award authority will not be eligible for credit toward local match or reimbursement. Furthermore, the expenditure of local funds or undertaking of project implementation activities such as land acquisition, demolition, or construction before the date of pre-award authority for those activities (i.e., the completion of the NEPA process) would compromise FTA's ability to comply with Federal environmental laws and may render the project ineligible for FTA funding.

v. The Federal amount of any future FTA assistance awarded to the grantee for the project will be determined on the basis of the overall scope of activities and the prevailing statutory provisions with respect to the Federal/local match ratio at the time the funds are obligated.

vi. For funds to which the pre-award authority applies, the authority expires with the lapsing of the fiscal year funds.

vii. When a grant for the project is subsequently awarded, the initial Federal Financial Report, in TEAM-Web (or, its successor, TrAMS), must indicate the use of pre-award authority.

viii. Planning, Environmental, and Other Federal requirements.

All Federal grant requirements must be met at the appropriate time for the project to remain eligible for Federal funding. The growth of the Federal transit program has resulted in a growing number of inexperienced grantees who find compliance with Federal planning and environmental laws increasingly challenging.

FTA has modified its approach to pre-award authority, and the date that costs may be incurred is as follows. For design and environmental review, costs may be incurred as of the date of the authorization of formula funds or the date of the announcement of the discretionary allocation of funds for the project. For property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials for projects that qualify for a categorical exclusion pursuant to 23 CFR 771.118(c), costs may be incurred as of the date of the authorization of formula funds or the date of the announcement of the discretionary allocation of funds for the project. For property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials for projects that require a categorical exclusion pursuant to 23 CFR

771.118(d), an environmental assessment, or an environmental impact statement, costs may be incurred as of the date that FTA completes the environmental review process required by NEPA and its implementing regulations (i.e., through issuance of a Section 771.118(d) categorical exclusion determination, a Finding of No Significant Impact (FONSI), or a Record of Decision (ROD)). For pre-award authority triggered by the completion of the NEPA process, the completion of planning and air quality requirements is a prerequisite, as those activities are completed prior to conclusion of the environmental review process.

The requirement that a project be included in a locally-adopted Metropolitan Transportation Plan, the metropolitan transportation improvement program and federally approved statewide transportation improvement program (23 CFR part 450) must be satisfied before the grantee may advance the project beyond planning and preliminary design with non-Federal funds under pre-award authority triggered by the completion of the NEPA process. If the project is located within an EPA-designated non-attainment or maintenance area for air quality, the conformity requirements of the Clean Air Act, 40 CFR part 93, must also be met before the project may be advanced into implementation-related activities under pre-award authority triggered by the completion of the NEPA process. For projects that qualify for a categorical exclusion pursuant to 23 CFR 771.118(c), if a project is subsequently found not to qualify for this CE, it will be ineligible for FTA assistance. For all other projects, compliance with NEPA and other environmental laws and executive orders (e.g., protection of parklands, wetlands, and historic properties) must be completed before State or local funds

are spent on implementation activities, such as site preparation, construction, and acquisition, for a project that is expected to be subsequently funded with FTA funds.

For a planning project to have pre-award authority, the planning project must be included in a MPO-approved Unified Planning Work Program (UPWP).

ix. Federal procurement procedures, as well as the whole range of applicable Federal requirements (e.g., Buy America, Davis-Bacon Act, Disadvantaged Business Enterprise (DBE)) must be followed for projects in which Federal funding will be sought in the future. Failure to follow any such requirements could make the project ineligible for Federal funding. In short, this increased administrative flexibility requires a grantee to make certain that no Federal requirements are circumvented through the use of pre-award authority.

x. Recipients exercising pre-award authority to update, repair, or modernize stations, must be mindful that the DOT ADA regulations at 49 CFR 37.161(b) provide that an accessibility feature must be repaired promptly if it is damaged or out of order. When the accessibility feature is out of order, a Recipient must take reasonable steps to accommodate individuals with disabilities who would otherwise use the feature. The rule does not, and probably could not, state a time limit for making particular repairs, given the variety of circumstances involved. However, repairing accessible features must be made a high priority. Allowing obstructions or out of order accessibility equipment to persist beyond a reasonable period of time would violate part 37, as would mechanical failures due to improper or inadequate maintenance. Failure of the entity to ensure that accessible routes are

free of obstruction and properly maintained, or failure to arrange prompt repair of inoperative elevators, lifts, or other accessibility-related equipment, would also violate part 37.

xi. All program specific requirements must be met. For example, projects under section 5310 must comply with specific program requirements, including coordinated planning.

xii. Recipients exercising pre-award authority are expected to comply with the DBE regulations. The Department of Transportation's DBE program helps small businesses owned by socially and economically disadvantaged individuals to compete in the marketplace, and is designed to support the people who create jobs—our nation's entrepreneurs. When procuring vehicles, recipients are reminded of the requirements of 49 CFR 26.49(a), which requires "if you are a transit vehicle manufacturer, you must establish and submit for FTA's approval an annual overall percentage goal" and "as a transit vehicle manufacturer, you may make the certification required by this section if you have submitted the goal this section requires and FTA has approved it or not disapproved it." Recipients are advised that it is not enough to accept a certification stating that "FTA has not disapproved" of a TVMs DBE goal. Rather, Recipients must ensure that the TVM has submitted a goal to FTA and FTA has either approved it or not disapproved it. A recipient may request from FTA verification that a TVM has submitted a DBE goal to FTA for its review. Please email your Regional Civil Rights Officer regarding your request and FTA will respond via email within five business days. Furthermore, to assist with TVM certification compliance, FTA

maintains a web posting of all certified TVMs located at http://www.fta.dot.gov/12326_5626.html. Finally, FTA takes the position that failure by a Recipient to verify a TVM's eligibility to bid on an FTA-assisted contract prior to award cannot be cured after award of the contract and will likely result in FTA declining to provide Federal funding for the vehicle procurement.

4. Pre-Award Authority for the Fixed Guideway Capital Investment Program (New and Small Starts Projects and Core Capacity Projects)

Projects proposed for section 5309 Capital Investment Grants (CIG) program funds are required to follow a process defined in law. For New Starts and Core Capacity projects, this process includes three phases – project development (PD), engineering, and construction. For Small Starts projects, this process includes two phases – PD and construction. After receiving a letter from the project sponsor requesting entry into the PD phase, FTA must respond in writing within 45 days whether the information was sufficient for entry. If FTA's correspondence indicates the information was sufficient and the New Starts, Small Starts or Core Capacity project may enter PD, FTA extends pre-award authority to the project sponsor to incur costs for PD activities. PD activities include the work necessary to complete the environmental review process and as much engineering and design activities as the project sponsor believes are necessary to support the environmental review process. Upon completion of the environmental review process for a New Starts, Small Starts, or Core Capacity Improvement project with a ROD, FONSI, or CE determination by FTA, FTA extends pre-award authority to project sponsors in PD to incur costs for as much engineering and design as needed to develop a reasonable cost estimate and financial plan for the project, utility relocation, and real property acquisition and associated relocations for any property acquisitions not already accomplished as

a separate project for hardship or protective purposes or right-of-way under 49 U.S.C. 5323(q). Upon receipt of a letter notifying a New Starts or Core Capacity project sponsor of the project's approval into the engineering phase, FTA extends pre-award authority for any remaining engineering and design, demolition, vehicle purchases, and procurement of long lead items for which market conditions play a significant role in the acquisition price. The long lead items include, but are not limited to, procurement of rails, ties, and other specialized equipment, and commodities. Please contact the FTA Regional Office for a determination of activities not listed here, but which meet the intent described above. FTA provides this pre-award authority in recognition of the long-lead time and complexity involved with purchasing vehicles as well as their relationship to the ''critical path'' project schedule. FTA cautions grantees that do not currently operate the type of vehicle proposed in the project about exercising this pre-award authority. FTA encourages these sponsors to wait until later in the process when project plans are more fully developed. FTA reminds project sponsors that the procurement of vehicles must comply with all Federal requirements including, but not limited to, competitive procurement practices, the Americans with Disabilities Act, and Buy America. FTA encourages project sponsors to discuss the procurement of vehicles with FTA in regards to Federal requirements before exercising pre-award authority. Because there is not a formal engineering phase for Small Starts projects, FTA does not extend pre-award authority for demolition, vehicle purchases and procurement of long lead items. Instead, this work must await receipt of a construction grant award.

i. *Real Property Acquisition*

As noted above, FTA extends pre-award authority for the acquisition of real property and real property rights for fixed guideway capital investment

projects (New or Small Starts or Core Capacity) upon completion of the environmental review process for that project. The environmental review process is completed when FTA signs an environmental Record of Decision (ROD) or Finding of No Significant Impact (FONSI), or makes a Categorical Exclusion (CE) determination. With the limitations and caveats described below, real estate acquisition may commence, at the project sponsor's risk. For FTA-assisted projects, any acquisition of real property or real property rights must be conducted in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and its implementing regulations, 49 CFR part 24. This pre-award authority is strictly limited to costs incurred: (i) to acquire real property and real property rights in accordance with the URA regulation, and (ii) to provide relocation assistance in accordance with the URA regulation. This pre-award authority is limited to the acquisition of real property and real property rights that are explicitly identified in the final environmental impact statement (FEIS), environmental assessment (EA), or CE document, as needed for the selected alternative that is the subject of the FTA-signed ROD or FONSI, or CE determination. This pre-award authority regarding property acquisition that is granted at the completion of the environmental review process does not cover site preparation, demolition, or any other activity that is not strictly necessary to comply with the URA, with one exception. That exception is when a building that has been acquired, has been emptied of its occupants, and

delaying demolition poses a potential fire safety hazard or other hazard to the community in which it is located, or is susceptible to reoccupation by vagrants. Demolition of the building is also covered by this pre-award authority upon FTA's written agreement that the adverse condition exists. Pre-award authority for property acquisition is also provided when FTA makes a CE determination for a protective buy or hardship acquisition in accordance with 23 CFR 771.117(d)(12). Pre-award authority for property acquisition is also provided when FTA completes the environmental review process for the acquisition of right-of-way as a separate project in accordance with 49 U.S.C. 5323(q). Guidance on this approach to property acquisition is available on FTA's website..

When a tiered environmental review in accordance with 23 CFR 771.111(g) is used, pre-award authority is NOT provided upon completion of the first tier environmental document except when FTA signs the Tier-1 ROD or FONSI and explicitly provides such pre-award authority for a particular identified acquisition. Project sponsors should use pre-award authority for real property acquisition relocation assistance with a clear understanding that it does not constitute a funding commitment by FTA. FTA provides pre-award authority upon completion of the environmental review process for real property acquisition and relocation assistance to maximize the time available to project sponsors to move people out of their homes and places of business, in accordance with the requirements of the

URA, but also with maximum sensitivity to the circumstances of the people so affected.

ii. *Reimbursement of Costs Incurred under Pre-Award Authority*

Although FTA provides pre-award authority for property acquisition, long lead items, and vehicle purchases upon completion of the environmental review process, FTA will not make a grant to reimburse the sponsor for real estate activities, vehicle purchases or purchases of long lead items conducted under pre-award authority until the project receives its construction grant. This is to ensure that Federal funds are not risked on a project whose advancement into construction is still not yet assured.

iii. *National Environmental Policy Act (NEPA) Activities*

NEPA requires that major projects proposed for FTA funding assistance be subjected to a public and interagency review of the need for the project, its environmental and community impacts, and alternatives to avoid and reduce adverse impacts. Projects of more limited scope also need a level of environmental review, either to support an FTA finding of no significant impact (FONSI) or to demonstrate that the action is categorically excluded (i.e., CE) from the more rigorous level of NEPA review. FTA's regulation titled ''Environmental Impact and Related Procedures,'' at 23 CFR part 771 states that a grant applicant's costs for the preparation of environmental documents requested by FTA are eligible for FTA financial assistance (23 CFR 771.105(e)). Accordingly, FTA extends pre-award authority for costs

incurred to comply with NEPA regulations and to conduct NEPA-related activities, effective as of the earlier of the following two dates: (1) the date of the Federal approval of the relevant STIP or STIP amendment that includes the project or any phase of the project, or that includes a project grouping under 23 CFR 450.216(j) which includes the project; or (2) the date that FTA approves the project into project development. The grant applicant must notify the FTA Regional Office upon initiation of the Federal environmental review process in accordance with the FTA Administrator's ''Dear Colleague'' letter the dated February 24, 2011. NEPA-related activities include, but are not limited to, public involvement activities, historic preservation reviews, section 4(f) evaluations, wetlands evaluations, endangered species consultations, and biological assessments. This pre-award authority is strictly limited to costs incurred to conduct the NEPA process and associated engineering, and to prepare environmental, historic preservation and related documents. When a New Starts, Small Starts, or Core Capacity project is granted pre-award authority for the environmental review process, the reimbursement for NEPA activities conducted under pre-award authority may be sought at any time through section 5307 (Urbanized Area Formula Program), section 5309, or the flexible highway programs (STP and CMAQ). As with any pre-award authority, FTA reimbursement for costs incurred is not guaranteed.

iv. *Other New and Small Starts and Core Capacity Project Activities Requiring Letter of No Prejudice (LONP).*

Except as discussed in paragraphs i through iii above, a major capital investment project sponsor must obtain a written LONP from FTA before incurring costs for any activity. To obtain an LONP, an applicant must submit a written request accompanied by adequate information and justification to the appropriate FTA Regional Office, as described in B below.

B. Letter of No Prejudice (LONP) Policy

1. Policy

LONP authority allows an applicant to incur costs on a project utilizing non-Federal resources, with the understanding that the costs incurred subsequent to the issuance of the LONP may be reimbursable as eligible expenses or eligible for credit toward the local match should FTA approve the project at a later date. LONPs are applicable to projects and project activities not covered by automatic pre-award authority. The majority of LONPs will be for section 5309 Capital Investment Grant (CIG) program (New or Small Starts or Core Capacity) projects undertaking activities not covered under automatic pre-award authority. LONPs may be issued for formula and discretionary funds beyond the life of the current authorization or FTA's extension of automatic pre-award authority, which, by way of this notice, has been extended until September 30, 2017; however, the LONP is limited to a five-year period, unless otherwise authorized in the LONP. Recipients preparing to enter into contracts that assume federal funding beyond September 30, 2017, should contact their Regional Office to pursue a LONP.

2. Conditions and Federal Requirements

The conditions and requirements for pre-award authority specified in Section V.A.2 and V.A.3. above apply to all LONPs. Because project implementation activities may not be

initiated before completion of the environmental review process, FTA will not issue an LONP for such activities until the environmental review process has been completed with a ROD, FONSI, or CE determination.

3. Request for LONP

Before incurring costs for project activities not covered by automatic pre-award authority, the project sponsor must first submit a written request for an LONP, accompanied by adequate information and justification, to the appropriate Regional Office and obtain FTA's written approval. FTA approval of an LONP is determined on a case-by-case basis. Receipt of Federal funding under the capital investment program is not implied or guaranteed by an LONP.

C. FY 2015 Annual List of Certifications and Assurances

On October 31, 2014, FTA published a Notice of Availability in the *Federal Register* stating that the FY 2015 Certifications and Assurances are available on the FTA website at http://www.fta.dot.gov and in TEAM-Web at http://ftateamweb.fta.dot.gov. The FY 2015 Certifications and Assurances must be used for all grants and cooperative agreements awarded in FY 2015. All recipients with active projects are required to sign the FY 2015 Certifications and Assurances within 90 days after its publication.

D. Civil Rights Requirements

1. Disadvantaged Business Enterprise (DBE)

The Department of Transportation's (DOT) Disadvantaged Business Enterprise (DBE) program is an affirmative action program designed to combat discrimination and its continuing effects by providing contracting opportunities on Federally-funded highway, transit, and airport projects for small businesses owned and controlled by socially and economically disadvantaged

individuals. Over the years, the Department has met or exceeded the national aspirational goal established by Congress in the statutes authorizing the program since 1983 and has made continuous program improvements. The Department's 2014 Final Rule, which went into effect on November 5, 2014, contains important improvements to the implementation and administration of the DBE program regulations.

First, the Department revised its standard Uniform Certification application to remove unnecessary details (e.g., the phone number and address of applicant's bank). The application now includes new items useful to certifiers such as State departments of transportation, transit authorities, and airports. For example, the Personal Net Worth form is an adaptation of the SBA Form 413 tailored to DBE program requirements. All applicants must use this simplified form to document the economic status of the disadvantaged owner(s). The spouse of a disadvantaged owner who is involved in the operation of the firm must also submit a personal net worth form with the application.

Second, the Uniform Report of DBE Awards or Commitments and Payments captures data on minority women-owned DBEs and actual payments to DBEs during the reporting period. FTA recipients will continue reporting in TEAM until the new DBE reporting module is finalized in TrAMS, which we expect to be completed by the June 1, 2015 reporting cycle.

Third, MAP-21 requires State Departments of Transportation, on behalf of the Unified Certification Program, submit the percentage of DBEs in the state owned by non-minority women, minority women, and minority men. All reports must be submitted by January 1, 2015 to the USDOT Departmental Office of Civil Rights at DBE@dot.gov.

Fourth, bidders/offerors that are required to submit DBE information for a DOT-assisted contract that contains a DBE goal must provide the information at the time of bid (as a matter of

responsiveness) or no later than seven days after bid opening (as a matter of responsibility). The seven days period will be reduced to five days beginning January 1, 2017. The DBE information submitted must include the North American Industrial Classification System code applicable to the kind of work the DBE will perform on the contract, and, when a non-DBE subcontractor is selected over a DBE, copies of the quotes from each DBE and non-DBE subcontractor. The bidder/offeror shall make copies of DBE subcontracts available upon request. In addition, the Final Rule provides additional examples of the ways to evaluate good faith efforts. A bidder/offeror will not be deemed to demonstrate good faith if it rejects a DBE simply because it is not the low bidder, or if it is unable to find a replacement DBE at the original price, without more. When evaluating the efforts of the low bidder to meet the contract goal, recipients should review the performance of other bidders.

Fifth, regarding transit vehicle manufacturers (TVMs), the Final Rule adds a definition for TVM that includes ferry boat manufacturers. Recipients purchasing ferries must ensure that they purchase from entities that have been approved by FTA and are therefore on FTA's TVM webpage (http://www.fta.dot.gov/12326_5626.html) or they have submitted a goal that has not been disapproved by FTA. Please contact your Regional Civil Rights Officers if you are unsure that the entity has submitted a DBE goal to FTA. FTA will develop a Memorandum of Understanding with the Federal Highway Administration (FHWA) so ferry purchases with FHWA funding will also be subject to the TVM provisions (i.e., approved by FTA and listed on FTA's TVM website).

Sixth, recipients are advised that including DBE goals on federally assisted vehicle purchases, without FTA's prior approval, is impermissible. All requests should be submitted to Britney Berry at britney.berry@dot.gov for FTA approval.

Lastly, in order to provide appropriate flexibility in implementing TVM DBE provisions, FTA reminds recipients that overly prescriptive contract specifications on vehicle procurements eliminate opportunities for DBEs in vehicle manufacturing and counter the intent of the DBE program. FTA is acutely aware that recipients identify specific major system suppliers in the request for proposals (RFPs), which effectively excludes small businesses and DBEs from the most lucrative portion of the vehicle contract: the major systems. FTA urges recipients to explore ways that encourage TVMs and major systems suppliers to implement supplier diversity and development programs, which will assist TVMs in achieving their DBE goals.

2. Title VI of the Civil Rights Act of 1964

The U.S. DOT's Title VI implementing regulations are found in 49 CFR part 21. FTA's Title VI Circular (4702.1B) provides guidance on carrying out the regulatory requirements. For recipients in urbanized areas of 200,000 or more in population and with 50 or more fixed-route vehicles in peak service, the recipient must conduct a service equity analysis for all service changes that meet the recipient's definition of "major service change" prior to implementing the service change. Recipients also must conduct a fare equity analysis for all fare increases or decreases prior to implementing a fare change. Furthermore, an environmental justice analysis is not a substitute for a Title VI service equity analysis triggered by a major service change or fare change. As recipients prepare their budgets, it is vitally important that an appropriate major service change or fare change analysis is completed prior to taking the proposed action. Should you have any questions, please contact your Regional Civil Rights Officer.

3. Americans with Disabilities Act (ADA)

FTA has developed a 12 chapter Circular regarding recipient compliance with ADA requirements. A notice was published in the Federal Register on November 12, 2014, regarding the availability of seven chapters that are open for public comment. The comment period for these seven chapters was originally set to close on January 12, 2015. At the request of the American Public Transit Association, FTA has extended the comment period for another 30 days or until February 12, 2015.

E. FHWA "Flex Funding" and Consolidated Planning Grants

Certain Federal-aid highway program funds under the title 23 may be transferred or "flexed" to FTA for eligible Title 49, Chapter 53 purposes. These Title 23 programs include the Surface Transportation Program (23 U.S.C. 133) (STP), the Transportation Alternatives Program (23 U.S.C. 101) (TAP), the Congestion Mitigation and Air Quality Improvement Program (23 U.S.C. 149) (CMAQ), the National Highway Performance Program (23 U.S.C. 119) (NHPP).

1. Transferring Title 23 funds from FHWA to FTA

Section 104(f) of title 23 U.S.C. allows FHWA, at the request of the State, to transfer funds for transit capital projects and eligible operating activities that have been designated as part of the metropolitan and statewide planning and programming process. The project must be included in an approved STIP before the funds can be transferred. The State DOT may request, by letter, that the FHWA Division Office transfer highway funds for a transit project. The letter should include a description of the project as contained in the STIP, the amount to be transferred, the apportionment year, State, urbanized area, Federal-aid apportionment category (i.e., STP, CMAQ, TAP, NHPP) or other funding source, indication of the intended recipient and the FTA formula program (i.e., section 5307, 5310, or 5311). As noted in the CMAQ paragraph below,

requests to transfer CMAQ funding from FHWA to FTA must also clearly identify the amount to be used for operating assistance.

Once a written request for transfer is received (using FHWA transfer request form 1576), if, upon review, the FHWA Division Office concurs in the transfer, it provides written confirmation to the State DOT and FTA that the apportionment amount is available for transfer. The FHWA Division Office provides the transfer request to the FHWA Office of Budget which transfers the funds to FTA.

FHWA funds transferred to FTA will be administered under one of the three FTA formula programs (i.e., Urbanized Area Formula (section 5307), Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities (section 5310), or Formula Grants for Rural Areas (section 5311)). Unobligated balances for High Priority projects under Section 1702 of SAFETEA-LU or Transportation Improvement projects under Section 1934 of SAFETEA-LU and other such funds for which Congress has identified a particular project that are transferred to FTA will be aligned with and administered through FTA's Urbanized Area Formula Grant Program (section 5307). Under 23 U.S.C. 104(f), FHWA funds transferred to FTA retain the same matching share that the funds would have if used for highway purposes and administered by FHWA.

Transferred funds may be used for a capital transit purpose eligible under the FTA formula program to which they are transferred. MAP-21 revised the operating assistance eligibilities under CMAQ as described in Section 3 below.

The FTA grantee's application for the project must specify the program in which the funds will be used, and the application must be prepared in accordance with the requirements and

procedures governing that program. Upon review and approval of the grantee's application, FTA obligates funds for the project.

In the event that the transferred funds are not obligated for the intended purpose within the period of availability of the formula program to which they were transferred, in most instances, they become available to the State for any eligible capital transit project under the program to which they were transferred.

2. Matching Share for FHWA Transfers

Pursuant to 23 U.S.C. 104(f)(1)(B), FHWA funds transferred to FTA retain the same matching share that the funds would have if used for highway purposes and administered by FHWA. For the STP, CMAQ, and TAP programs, this Federal share is generally 80 percent, subject to upward adjustment in sliding scale States as noted below.

For a period of time under SAFETEA-LU, CMAQ funds were available at a 100 percent Federal share. Starting on October 1, 2012, the CMAQ Federal share generally will be 80 percent. There are a few instances in which a Federal share on funds transferred from FHWA can be higher than 80 percent. In States with large areas of Indian and certain public domain lands and national forests, parks and monuments, the local share for highway projects is determined by a sliding scale rate, calculated based on the percentage of public lands within that State. This sliding scale, which permits a greater Federal share, but not to exceed 95 percent, is applicable to transfers used to fund transit projects in these public land States. FHWA develops the sliding scale matching ratios for the increased Federal share. Also, there may be instances where the applicable Federal share may be reduced to a lower Federal share than is generally applicable, such as under the NHPP where the Federal share must be reduced to a maximum of 65 percent if the State DOT does not develop and implement an asset management plan.

Certain safety projects or projects that include an air quality or congestion relief component such as commuter carpooling and vanpooling projects using FHWA transfer funds administered by FTA may retain the same 100 percent Federal share; however, these projects are subject to a limitation for each State of an amount equal to 10 percent of the sums apportioned for programs under 23 U.S.C 104.

For further guidance, please see FHWA Order, issued on August 12, 2013 on "Fund Transfers to Other Agencies and Among Title 23 Programs", which is available at http://www.fhwa.dot.gov/legsregs/directives/orders/45511.pdf.

3. CMAQ Funds for Operating Assistance

The CMAQ program, at 23 U.S.C. 149, continues to provide a flexible funding source to State and local governments for transportation projects and programs to help achieve the goals of the Clean Air Act. Funding is available for projects that reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards (NAAQS) for ozone, carbon monoxide, or particulate matter—nonattainment areas—and for areas that were out of compliance but have now met the standards—maintenance areas. Transit investments, including transit vehicle acquisitions and construction of new facilities or improvements to facilities that increase transit capacity may be eligible for CMAQ funds. For additional information on this program, refer to the Interim CMAQ Program Guidance under MAP-21 available at http://www.fhwa.dot.gov/environment/air_quality/cmaq/. FHWA is considering comments received on its Notice of Interim Guidance issued in the *Federal Register* on November 12, 2013 and will issue final guidance in the near future. (See 78 FR 67442-02.)

Under limited circumstances, funds may also be used for operating assistance. Refer to the Revised Interim Guidance on CMAQ Operating Assistance under MAP-21 available at http://www.fhwa.dot.gov/environment/air_quality/cmaq, as well as the discussion in Section III.H in this notice, for additional information.

As a reminder, all CMAQ transfer requests initiated by grantees to the MPO and State, and ultimately processed from FHWA to FTA, must clearly identify whether the CMAQ funds will be used for operating assistance or capital projects. Grantees must clearly identify the operating assistance amounts in the grant budget and, also, when requesting expenditures in ECHO-Web.

4. Consolidated Planning Grants

FTA and FHWA planning funds under both the Metropolitan Planning and State Planning and Research Programs can be consolidated into a single consolidated planning grant (CPG), awarded by either FTA or FHWA. The CPG eliminates the need to monitor individual fund sources, if several have been used, and ensures that the oldest funds will always be used first. Under the CPG, States can report metropolitan planning program expenditures (to comply with the Single Audit Act) for both FTA and FHWA under the Catalogue of Federal Domestic Assistance number for FTA's Metropolitan Planning Program (20.505). Additionally, for States with an FHWA Metropolitan Planning (PL) fund-matching ratio greater than 80 percent, FTA's 20 percent local share requirement can be waived to allow FTA funds used for metropolitan planning in a CPG to be granted at the higher FHWA rate. For some States, this Federal match rate can exceed 90 percent.

States interested in transferring planning funds between FTA and FHWA should contact the FTA Regional Office or FHWA Division Office for more detailed procedures. Current

guidelines are included in FHWA's Order dated August 12, 2013, on "Fund Transfers to Other Agencies and Among Title 23 Programs", which is available at http://www.fhwa.dot.gov/legsregs/directives/orders/45511.pdf.

For further information on CPGs, contact Ann Souvandara*, Office of Budget and Policy, FTA, at (202)366-0649.*

F. Grant Application Procedures

All applications for FTA funds should be submitted to the appropriate FTA Regional Office. FTA utilizes TEAM-Web, an Internet-accessible electronic grant application system, and all applications are filed electronically. As noted in Section III of this notice, beginning in April, FTA will use the TrAMS system as a replacement to TEAM.

FTA regional staff is responsible for working with grantees to review and process grant applications. In order for an application to be considered complete and for FTA to assign a grant number, enabling submission in TEAM-Web and submitted to Department of Labor (when applicable), the following requirements must be met:

- Recipient's contact information, including Dun and Bradstreet Data Universal Numbering System (DUNS), is correct and up-to-date. If requested by phone (1-866-705-5711), DUNS is provided immediately. If your organization does not have one, you will need to go to the Dun & Bradstreet website at http://fedgov.dnb.com/webform to obtain the number.
- Recipient has registered in the System for Award Management (SAM) and its registration is current. (https://www.sam.gov)
- Recipient has properly submitted its annual certifications and assurances.
- Recipient's Civil Rights submissions are current and approved.

- Documentation is on file to support recipient's status as either a designated recipient (for the program and area) or a direct recipient.
- Funding is available, including any flexible funds included in the budget, and split letters or suballocation letters on file (where applicable) to support amount being applied for in grant application.
- The project is listed in a currently approved Transportation Improvement Program (TIP); Statewide Transportation Improvement Program (STIP), or Unified Planning Work Program (UPWP).
- All eligibility issues are resolved.
- Required environmental findings are made.
- The project budget's Activity Line Items (ALI), scope, and project description meet FTA requirements.
- Local share funding source(s) is identified.
- For projects involving new construction (using at least $100 million in New Starts or formula funds), FTA has reviewed the project management plan and given approval.
- Milestone information is complete, or FTA determines that milestone information can be finalized before the grant is ready for award. FTA will also review status of other open grants' reports to confirm financial and milestone information is current on other open grants and projects.

Before FTA can award grants for discretionary projects and activities, notification must be given to the House and Senate authorizing and appropriations committees.

Other important issues that impact FTA grant processing activities are discussed below.

1. Dun and Bradstreet Universal Numbering System (DUNS) Number and System for Award Management (SAM) Registration.

Each applicant or recipient of Federal Funds is required to: (1) Be registered in SAM before submitting its application; (2) provide a valid DUNS number in its application; and (3) continue to maintain an active SAM registration with current information at all times during which it has an active award or an application or plan under consideration by the Federal Transit Administration (FTA). FTA will not make an award to an applicant until the applicant has complied with all applicable DUNS and SAM requirements and, if an applicant has not fully complied with the requirements by the time the FTA is ready to make a Federal award, FTA may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

The System for Award Management (SAM) https://www.sam.gov/portal/SAM/

is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS. There is no fee to register or use this site. Entities may register and update their information at no cost directly from the above site." Your SAM registration (formerly CCR registration) needs to be renewed at least annually.

2. Grant Budgets – SCOPE and ALI Codes; Financial Purpose Codes

FTA uses the SCOPE and Activity Line Item (ALI) Codes in the grant budgets to track program trends, to report to Congress, and to respond to requests from the Inspector General and the Government Accountability Office (GAO), as well as to manage grants. The accuracy of the data is dependent on the careful and correct use of codes. FTA is in the process of revising the SCOPE and ALI table to include new codes for the newly eligible capital items, to better track

certain expenditures, and to accommodate the new programs. FTA encourages grantees to review the table before selecting codes from the drop-down menus in TEAM-Web while creating a grant budget. Additional information about how to use the SCOPE and ALI codes to accurately code budgets will be added to the resources available through TEAM-Web.

Under sections 5307 and 5311, FTA will continue to use the SCOPE established for job access and reverse projects (646-00) in order to track the use of these program funds for this eligible purpose. Similarly, for section 5310 grants made with FY 2013 and later funds, FTA will continue to use the SCOPE established for "new-freedom" type projects (647-00).

In addition to SCOPE and ALI codes, FTA uses financial purpose codes (FPCs) in TEAM to identify specific funding uses and track the actual obligations and expenditures of funds to a specific use, such as capital, planning, or operating. FPCs are identified at the time program funds are reserved and must be identified when a grantee requests a draw-down in ECHO-web. The available FPCs differ by program, based on the programs eligibility. For example, in a grant for a capital-only program (e.g. section 5337 or 5339), the funds would be obligated using FPC 00. Grantees should be aware that several new FPCs were introduced for MAP-21 grants, particularly for section 5307, 5310, and 5311 to track eligible uses like job access and reverse commute projects (FPC 03) and new-freedom projects (FPC 03). Grantees should pay close attention to the FPCs used when their grants are obligated so they use the correct FPCs in their ECHO-Web requests. FTA will no longer use FPC codes in TRAMS.

3. Designated and Direct Recipients, Documentation and Supplemental Agreements

For its formula programs, FTA primarily apportions funds to the Designated Recipient in the large UZAs (areas over 200,000), or for areas under 200,000 (small UZAs and rural areas), it

apportions the funds to the Governor, or its designee (e.g. State DOT). Depending on the program and as described in the individual program sections found in Section IV of this notice, further suballocation of funds may be permitted to eligible recipients who can then apply directly to FTA for the funding ("direct recipients"), so long as the required documentation is on file. However, there are certain programs under MAP-21 whereby FTA will only award grants to the designated recipients for the area or program. These include sections 5310 and 5339.

For the programs in which FTA can make grants to eligible direct recipients, other than the Designated Recipient(s), recipients are reminded that documentation must be on file to support the (1) status of the recipient either as a Designated Recipient or direct recipient; and (2) the allocation of funds to the direct recipient. Additionally, FTA requires a supplemental agreement to be pinned to the grant in TEAM-Web prior to grant execution. The supplemental agreement is required when the recipient of the funds is not the Designated Recipient. It permits the grant recipient (e.g. direct recipient) to receive and dispense the Federal funds and sets forth that the grant recipient is assuming all responsibilities of the grant agreement.

Under MAP-21, with the exception of the new UZAs resulting from the 2010 Census under the section 5307 program, the only program for which NEW designations are needed in the large urbanized areas before a grant can be made is section 5310. Before the first grant application in a large UZAs under section 5310 is submitted to FTA, the Governor must designate an agency charged with administering the Enhanced Mobility of Seniors and Individuals with Disabilities funds. This designation must be on file with the Regional Office prior to the award of any section 5310 grants in large UZAs.

For all other programs, documentation to support existing designated recipients for the UZA must also be on file at the time of the first application in FY 2015. Further, split letters and/or suballocation letters (Governor's Apportionment letters), must also be on file to support grant applications from direct recipients.

4. Payments

Once a grant has been awarded and executed, requests for payment can be processed. To process payments FTA uses ECHO-Web, an Internet accessible system that provides grantees the capability to submit payment requests on-line, as well as receive user-IDs and passwords via e-mail. New applicants should contact the appropriate FTA Regional Office to obtain and submit the registration package necessary for set-up under ECHO-Web.

5. Oversight

FTA is responsible for conducting oversight activities to help ensure that grants recipients use FTA federal financial assistance in a manner consistent with their intended purpose and in compliance with regulatory and statutory requirements. FTA conducts periodic oversight reviews to assess grantee compliance with applicable Federal requirements. Each Urbanized Area Formula Program recipient is reviewed every three years, (also known as FTA's Triennial Review); and States and state-wide public transportation agencies are reviewed periodically to assess the management practices and program implementation of FTA state-wide programs (e.g. Planning, Rural Areas, Enhanced Mobility of Seniors and Individuals with Disabilities Programs). Other more detailed reviews are scheduled based on an annual grantee oversight assessment. Important objectives of FTA's oversight program include, but are not limited to: Determining grantee compliance with Federal requirements; identifying technical assistance

needs, and delivering technical assistance to meet those needs; spotting emerging issues with grantees in a forward-looking fashion; recognizing when there is a need for more in-depth reviews in the areas of procurement, financial management, and civil rights; and identifying grantees with recurring or systemic issues.

6. Technical Assistance

As noted throughout the notice, FTA continues to rely on several of the existing program circulars for general program guidance. FTA is continuing to update the program circulars, with an opportunity for notice and comment, to reflect changes under MAP-21. In the meantime, if you have any questions, please do not hesitate to contact FTA. FTA headquarters and regional staff will be pleased to answer your questions and provide any technical assistance you may need to apply for FTA program funds and manage the grants you receive. At its discretion, FTA may also use program oversight consultants to provide technical assistance to grantees on a case by case basis. This notice and the program guidance circulars previously identified in this document may be accessed via the FTA website at www.fta.dot.gov.

G. Grant Management

Recipients of FTA funds are reminded that all FTA grantees require some level of grant reporting and that it is critical to ensure reports demonstrate reasonable progress is being made on the project. At a minimum, all grants require a Federal Financial Report (FFR) and a Milestone Progress Report (MPR) on an annual basis, with some reports required quarterly depending on the recipient and the type of projects funded under the grant. The requirements for these reports and other reporting requirements can be found in FTA Circular 5010.1D, *Grant*

Management Requirements, dated August 27, 2012. FTA staff, auditors, and contractors rely on the information provided in the FFR and MPR to review and report on the status of both financial and project-level activities contained in the grant. It is critical that recipients provide accurate and complete information in these reports and submit them by the required due date. Failure to report and/or demonstrate reasonable progress on projects can result in suspension or close-out of a grant.

In FY 2015, FTA will continue to focus on inactive grants and grants that do not comply with reporting requirements and, if appropriate, will take action to close out and deobligate funds from these grants if reasonable progress is not being made. The efficient use of funds will further FTA's fulfillment of its mission to provide efficient and effective public transportation systems for the nation.

Furthermore, inactive grants continue to be a major audit finding within the Department of Transportation and FTA must take action to ensure its grants do not impact the Department not receiving a “clean audit” opinion on its annual financial statement audit.

In October of 2014 FTA identified a list of grants that were awarded on or prior to September 30, 2011 and have had no funds disbursed since September 30, 2012 or have never had a disbursement.

FTA Regional Offices will be contacting grant recipients with one or more grants that meet this criteria to notify them that FTA intends to close the grant and deobligate any remaining funds unless the grantee can provide information that demonstrates that the projects funded by the grant remain active and the grantee has a realistic schedule to expedite completion of the projects funded in the grant.

In addition, recipients of open American Recovery and Reinvestment Act (ARRA) grants should be aware that, as a matter of law, all remaining ARRA funds MUST be disbursed from grants by the end of the 5th fiscal year (FY) after funds were required to be obligated. (SEE 31 U.S.C. 1552.) For FTA ARRA projects, that requirement takes affect at the end of FY 2015. Accordingly, once ECHO closes for disbursements in late September 2015, all remaining funds within FTA ARRA funded grants will no longer be available to the grantee and will be deobligated from the grant. Even if a grantee has incurred costs or disbursed funds prior to the close of ECHO, if the grantee has not actually drawn down the funds by the time ECHO closes in late September, FTA will be unable to reimburse the grantee. Therefore, grantees with open ARRA grants must ensure project activities are completed and all funds are drawdown before ECHO closes by late September 2015. For ARRA TIGER 1 projects, the same requirement will be in effect for the end of FY 2016.

Therese McMillan,

Acting Administrator.

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