

ITEM 12-B.1

(12 PAGES)

**POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION**

RESOLUTION

MOTION: _____

**RESOLUTION NO. 09-04-_____
OFFICIAL COMMISSION MEETING
APRIL 2, 2009**

SECOND: _____

RE: FEDERAL "STIMULUS" FUNDING

WHEREAS, the American Recovery and Reinvestment Act of 2009 ("ARRA" or the "Recovery Act") has been enacted into law, and designates funding expressly for transit systems to be distributed in accordance with formulas used for the distribution of Federal Transit Administration (FTA) Section 5307 funds; and

WHEREAS, both PRTC and VRE will be recipients of ARRA funding (PRTC for an estimated \$3.9 million and VRE for an estimated \$9.8 million); and

WHEREAS, all of the Section 5307 requirements apply to the ARRA funds designated expressly for transit systems, including a requirement to afford the public an opportunity to comment on the proposed use of ARRA funds that PRTC and VRE are anticipating; and

WHEREAS, the House Transportation and Infrastructure Committee leadership has directed transit system recipients of designated ARRA funding for transit to provide information no later than April 4, 2009 about ARRA-funded projects, as specified in a letter dated February 27, 2009, to facilitate the Committee's intended oversight of the implementation of the transportation and infrastructure provisions of the Recovery Act; and

WHEREAS, as described in the accompanying staff report, PRTC and VRE management have a plan for the use of the ARRA funds and for fulfilling the public review requirements of the ARRA to expedite the receipt of said funds; and

WHEREAS, the Potomac and Rappahannock Transportation Commission believes the plan is soundly conceived.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby:

ITEM 12-B.1

(12 PAGES)

1. Authorizes management to seek the federal “stimulus” funding PRTC and VRE are slated to receive for the purposes described in the accompanying staff report;
2. Ratifies management’s handling of the “public review” requirement for receipt of “stimulus” funding, whereby the “stimulus”-funded projects have been incorporated in the advertised public notice of the public review process authorized by the Commission on March 5, 2009 pertaining to the proposed FY 2010 budget public review; and
3. Authorizes management to submit the “stimulus”-funded project information via www.Recovery.com as directed by the House Transportation and Infrastructure Committee.


The logo for the Potomac and Rappahannock Transportation Commission (PRTC) features the letters "PRTC" in a bold, serif font, centered within a diamond-shaped border.

Potomac and Rappahannock
Transportation Commission

14700 Potomac Mills Road
Woodbridge, VA 22192

April 2, 2009

TO: Chairman May and Commissioners

FROM: Alfred H. Harf 
Executive Director

RE: Federal "Stimulus" Funding

Recommendation:

Authorize the Executive Director to seek the federal "stimulus" funding PRTC and VRE are slated to receive, and to fulfill all the requirements associated with the receipt of this funding including, but not limited to, the "public review" requirement. With regard to the "public review" requirement, authorize the fulfillment of this requirement by incorporating the projects envisioned for "stimulus" funding into the public review previously authorized for the proposed PRTC FY 2010 budget (hereinafter referred to as the "FY 2010 budget public review"). Also authorize the submission of "stimulus"-funded project information through a web-based portal -- www.Recovery.com -- as directed by the House Transportation and Infrastructure Committee (letter directing transit recipients to do this appears here as attachment one).

Background:

In early March 2009, the Congress passed and the President signed into law the American Recovery and Reinvestment Act of 2009 (ARRA). A portion of the ARRA is designated for public transit systems, distributed by formula using the Federal Transit Administration (FTA) Section 5307 formula distribution methodology. PRTC and VRE are slated to receive an estimated \$3.9 million and \$9.8 million, respectively, once the requirements prescribed by the ARRA (which mirror the requirements of the FTA Section 5307 formula program) have been fulfilled. One of those requirements is the conduct of a "public review" process (including a public hearing) in accordance with PRTC's Board-adopted, federally compliant public participation policy.

It is in PRTC's and VRE's interest to expedite the receipt of federal "stimulus" funding. To that end, the projects envisioned for "stimulus" funding have been incorporated into the "FY 2010 budget public review" process authorized by the Commission at its March 2009 meeting,

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such that a single public review process and public hearing fulfills all the "public review" requirements. A consolidated public review process is feasible because the enactment of ARRA happened soon enough to account for the "stimulus"-funded projects in the public notification PRTC management prepared for the FY 2010 budget public review (attachment two). As the public notification indicates, a public hearing will be held on April 22, 2009 at the PRTC Transit Center so the public can comment as it sees fit on the proposed FY 2010 PRTC budget, the federally-funded projects PRTC/VRE envisions applying for in FY 2010, and the projects envisioned for federal "stimulus" funding.

Because the possibility of "federal stimulus" funding first arose very late in the FY 2010 budget development cycle and didn't become a certainty until after PRTC's and VRE's proposed FY 2010 budgets were fully defined, neither PRTC's nor VRE's proposed FY 2010 budgets account for the ARRA funding. Consequently, budget adjustments as necessary to account for this funding will be made as part of the customary mid-year budget revisions.

PRTC and VRE have a great deal of latitude about how to use "stimulus" funds – they can be used for any purpose which qualifies for Section 5307 formula funding. Section 5307 formula funding dictates also apply to the "stimulus" funds, meaning that a minimum of 1% of the "stimulus" funds must be used for "transportation enhancement" projects.

VRE proposes to use the other 99% of its "stimulus" funding (i.e., \$9.7 million) for additional locomotive purchases, supplementing other available funds for this purpose. While \$9.7 million does not equate to a whole number of locomotives, coupled with other available funds for locomotive purchases VRE will have sufficient funds to purchase as many as four more locomotives all told¹. VRE intends to use the other \$0.1 million as a source of funds for a planned "station canopy" project at the Manassas Park Station, a qualifying project for "transportation enhancement" funding.

PRTC proposes to use most of its "stimulus" funding for "capital costs of contracting", because all such costs are part of the operating budget which is principally reliant on the 2% motor fuels tax as a source of subsidy. Because the 2% motor fuels tax yield has declined significantly as fuel prices have dropped, PRTC's bus-sponsoring jurisdictions are confronting the prospect of having insufficient 2% motor fuels tax revenue to sustain existing bus and rail services. Thus using PRTC's stimulus funds as proposed lessens PRTC's dependency on 2% motor fuels tax funding on a dollar-for-dollar basis.

¹ Each locomotive has an estimated purchase cost of \$3.6 million, so \$9.7 million of "stimulus" funds equates to 2.7 locomotives. Other funds VRE has at its disposal for locomotive purchases will supplement the "stimulus" funding, enabling VRE to purchase as many as four locomotives all told.

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Capital costs of contracting is a permissible use of Section 5307 grant funds, capped based on a percentage of the overall cost of PRTC's contract with First Transit. PRTC uses all of the Section 5307 funds it receives each year for this purpose (less the 1% as required for transportation enhancements). Because PRTC receives less Section 5307 funding each year than it is allowed to use on "capital costs of contracting", however, it has not been able to take full advantage of the "capital costs of contracting" cap, such that the "stimulus" funds can be used as a supplement to conventional Section 5307 funds for this purpose. The \$3.0 million figure equals the difference between the sum of anticipated Section 5307 funding expected in FY 2009, FY 2010, and FY 2011 and the sum of the allowable caps for those same three years.

The remaining "stimulus" funds that PRTC can use for any permissible Section 5307 purpose -- \$0.86 million (99% of \$3.9 million less \$3.0 million) -- is envisioned as a funding source for planned bus purchases, supplementing other available funds for bus purchases. Just as VRE is compelled to assemble funding from multiple sources for its planned capital investments, PRTC has to do the same for its capital investments like bus purchases. Finally, PRTC management envisions using the 1% of "stimulus" funding that PRTC must devote to "transportation enhancement" projects (i.e., \$0.04 million) as another source of funds for its "bus shelter" program, which is a qualifying "transportation enhancement" investment.

The ARRA prescribes a variety of reporting obligations designed to facilitate transparency and accountability about the use of "stimulus" funds, and to quantify the "job creating" effects of these funds. The ARRA also requires a "certification" by each state's governor that the "stimulus" funding received by the state is being used in a manner compliant with a "maintenance of effort" provision of the ARRA. While transit agencies receiving "stimulus" funds are not required by the ARRA to make such a certification and while reporting obligations prescribed by the ARRA call for the reporting to be done via an FTA web-site portal, the House Transportation and Infrastructure Committee leadership sent a letter dated February 27, 2009 to all transit agency recipients: (1) explaining that it is the Committee's intent to "closely oversee the implementation of the transportation and infrastructure provisions of the Recovery Act to ensure that funds are invested quickly, efficiently, and in harmony with the job creating purposes of this Act" (attachment one); and (2) directing transit agency recipients to provide specific certification and transparency/accountability information detailed in the letter within 45 days of enactment of the Recovery Act (i.e., no later than April 4, 2009). Accordingly, submission of the required information is among the proposed authorizations being sought by this action item.

In summary, PRTC management is seeking the following:

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1. Authorization to seek the federal "stimulus" funding PRTC and VRE are slated to receive for the purposes described herein;
2. Ratification of management's handling of the "public review" requirement for receipt of "stimulus" funding, whereby the "stimulus"-funded projects have been incorporated in the advertised public notice of the public review process authorized by the Commission on March 5, 2009 pertaining to the proposed FY 2010 budget public review; and
3. Authorization to submit the "stimulus"-funded project information via www.Recovery.com as directed by the House Transportation and Infrastructure Committee.

Attachments: As stated



U.S. House of Representatives
Committee on Transportation and Infrastructure

James L. Oberstar
Chairman

Washington, DC 20515

John L. Allca
Ranking Republican Member

David Heymsfeld, Chief of Staff
Ward W. McCarragher, Chief Counsel

February 27, 2009

James W. Coon II, Republican Chief of Staff

Dear:

On February 17, 2009, President Barack Obama signed into law the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) ("Recovery Act") to create and sustain family-wage jobs, help the United States recover from the worst recession since the Great Depression, and invest in transportation, environmental, and other infrastructure that will provide long-term economic benefits to the nation. The Recovery Act provides \$64.1 billion of infrastructure investment authorized by the Committee on Transportation and Infrastructure to enhance the safety, security, and efficiency of our highway, transit, rail, aviation, environmental, inland waterways, public buildings, and maritime transportation infrastructure.

This investment includes \$7.6 billion of Federal transit formula funding under the jurisdiction of this Committee that is distributed directly to States and large public transit agencies by existing statutory formulas. These funds will enable States and public transit agencies to proceed immediately with "quick-hit", ready-to-go construction projects. In addition, the Recovery Act includes specific "use-it-or-lose-it" deadlines by which States and public transit agencies must invest transportation and infrastructure funding provided under the Act.

The Committee on Transportation and Infrastructure will closely oversee the implementation of transportation and infrastructure provisions of the Recovery Act to ensure that the funds provided are invested quickly, efficiently, and in harmony with the job-creating purposes of this Act. To this end, we request that you provide the specific certification and transparency and accountability information discussed below within 45 days of the date of enactment of the Recovery Act (April 4, 2009).

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Please provide the certification and transparency and accountability information on the following Federal transit formula programs funded under the Recovery Act which are within the jurisdiction of the Committee on Transportation and Infrastructure:

- Federal Transit Administration, Transit Capital Assistance;¹ and
- Federal Transit Administration, Fixed Guideway Infrastructure Investment.²

These requests go beyond the transparency and accountability requirements of the Recovery Act. The Recovery Act certification and transparency and accountability provisions do not specifically require public transit agencies to provide this information within 45 days of the date of enactment.

However, the certification and information that we are requesting are critical to the Committee's review of implementation of the Recovery Act. Furthermore, Chairman James L. Oberstar has repeatedly described and insisted upon these transparency and accountability provisions in Committee hearings (October 29, 2008, and January 22, 2009), speeches, and conference calls, and posted these requirements on our Committee website. These requirements should come as no surprise to any practitioner of infrastructure investments. We expect you to provide the requested certification and transparency and accountability information by April 4, 2009.

CERTIFICATION

Please provide by April 4, 2009, a copy of the certification required by Section 1511 of the Recovery Act. The Recovery Act requires the Governor, mayor, or other chief executive to certify that the infrastructure investment has received the full review and vetting required by law and the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars.³

TRANSPARENCY AND ACCOUNTABILITY INFORMATION

For amounts received under each Federal transit formula program,⁴ please provide by April 4, 2009, the following information required by the Recovery Act:⁵

¹ American Recovery and Investment Act of 2009, Pub. L. No. 111-5, Title XII (2009).

² *Id.*

³ *Id.* § 1511. Such certification shall include a description of the investment, the estimated total cost, and the amount of covered funds to be used, and shall be posted on a website and linked to the Recovery.gov website. *Id.*

⁴ The Federal transit formula programs funded under the Recovery Act which are within the jurisdiction of the Committee on Transportation and Infrastructure are the Federal Transit Administration, Transit Capital Assistance and the Federal Transit Administration, Fixed Guideway Infrastructure Investment.

⁵ Although the Recovery Act does not specifically require that MPOs provide this information within 45 days of the date of enactment, the Committee expects each MPO to provide the requested information.

- the amount of Federal funds allocated or apportioned to your public transit agency by the Federal Transit Administration and the amount of Federal funds obligated and outlayed;⁶
- a detailed list of all projects or activities for which Recovery Act funds were obligated and the purpose, total cost, and rationale for funding the infrastructure investment;⁷
- the number of projects that have been put out to bid under the appropriation and the amount of Federal funds associated with such projects;⁸
- the number of projects for which contracts have been awarded and the amount of Federal funds associated with such projects;⁹
- the number of projects for which work has begun under such contracts and the amount of Federal funds associated with such contracts;¹⁰
- the number of projects for which work has been completed under such contracts and the amount of Federal funds associated with such contracts;¹¹
- the number of direct, on-project jobs created or sustained by the Federal funds provided under the appropriation and, to the extent possible, the estimated indirect jobs created or sustained in the associated supplying industries, including the number of job-years created and the total increase in employment since the date of enactment;¹² and
- information tracking the actual aggregate expenditures by each grant recipient from State sources for projects eligible for funding under the program during the period from the date of enactment through September 30, 2010, compared to the level of expenditures that were planned to occur during such period as of the date of enactment.¹³

Please provide the certification and transparency and accountability information electronically and in a format that meets the Obama administration's requirements for section 1201 and Title XV of the Recovery Act. Please work with the Office of Management and Budget and the U.S. Department of Transportation to address any questions regarding the format for the certifications and other information to ensure consistency among reporting Metropolitan Planning Organizations.

In April 2009, the Committee will hold the first of a series of oversight hearings on implementation of the Recovery Act. We believe that the Recovery Act provides a unique

⁶ *Id.* § 1201(b)(2)(A).

⁷ *Id.* § 1512(c)(3).

⁸ *Id.* § 1201(b)(2)(B).

⁹ *Id.* § 1201(b)(2)(C).

¹⁰ *Id.* § 1201(b)(2)(D).

¹¹ *Id.* § 1201(b)(2)(E).

¹² *Id.* § 1201(b)(2)(F).

¹³ *Id.* § 1201(b)(2)(G).

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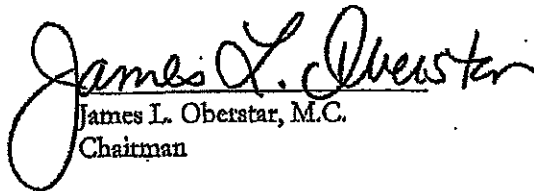
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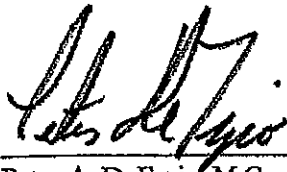
opportunity to showcase the ability of transportation and infrastructure investments to create and sustain family-wage jobs and provide long-term economic benefits to the nation. We also know that every public transit partner welcomes the opportunity to demonstrate to its user-public that you can deliver these projects and create urgently needed employment in the timeframes set forth in this Act.

If you have any questions regarding this request, please have your staff contact Joseph Wender, Counsel of the Committee on Transportation and Infrastructure, at (202) 225-4472 or Joseph.Wender@mail.house.gov.

Thank you for your consideration.

Sincerely,


James L. Oberstar, M.C.
Chairman


Peter A. DeFazio, M.C.
Chairman
Subcommittee on Highways
and Transit

Notice of Public Hearing

Potomac and Rappahannock Transportation Commission

Regarding Proposed FY10 PRTC Budget, Federally Participating Projects Envisioned for Applications in FY10, and Federally Participating PRTC and VRE Projects Envisioned to be Funded by the American Reinvestment and Recovery Act of 2009 (ARRA).

PLACE: PRTC Transit Center Board Room
14700 Potomac Mills Rd.
Woodbridge, VA 22192

DATE: Wednesday, April 22, 2009

TIME: 6:00 p.m.

The Potomac and Rappahannock Transportation Commission (PRTC) budget proposal for fiscal year 2010 is in the amount of \$30,313,800. The economic recession and attendant financial limitations are compelling an austerity-minded budget despite continuing transit ridership growth to conserve available resources. The proposed budget envisions: a reduction of approximately 5% of existing bus service hours (35 hours of service daily) targeting services that are least productive; and no new bus service (other than a new OmniRide route linking eastern Prince William County and Tyson's Corner, that is 100% funded by the Virginia Department of Rail and Public Transportation as a "traffic mitigation" strategy during the course of the Beltway HOT Lanes construction).. The proposed budget also assumes no fare increase and, the deferral of capital projects other than scheduled bus purchases and bus overhauls.

PRTC is the federal grant applicant for federally participating projects that PRTC and the Virginia Railway Express (VRE) envision applying for in FY 2010 and for investments envisioned for funding by the American Reinvestment and Recovery Act of 2009 (ARRA). Accordingly, public comment is invited on all the aforementioned projects.

Materials regarding the Proposed FY10 PRTC budget, federally participating PRTC and VRE projects envisioned for applications in FY10, and federally participating PRTC and VRE Projects envisioned to be funded by the American Reinvestment and Recovery Act of 2009 (ARRA) will be available for download at www.prtctransit.org on or after March 16, 2009. Hard copies also available upon request by contacting Mary Marshall at (703) 580-6115. Comments may be made in person at the Public Hearing, in writing, or via email no later than April 21, 2009. Comments in writing or by email that are not furnished at the Public Hearing should be directed to:

Ms. Mary Marshall
Accounting and Budget Manager
PRTC at the above address
mmarshall@omniride.com

Individuals who require special assistance to participate at the Public Hearing (such as a sign language interpreter, foreign language interpreter, or the presentation in an alternate format) should contact Gina Altis at (703) 580-6122 or Virginia Relay Center-TDD 711, no later than ten (10) days prior to the Public Hearing to make the necessary arrangements.