



U.S. Department
of Transportation

Federal Transit
Administration

The Administrator

1200 New Jersey Avenue, SE
Washington, D.C. 20590

MAR 21 2011

The Honorable Dannel P. Malloy
Governor of Connecticut
State Capitol
210 Capitol Avenue
Hartford, CT 06106

Dear Governor Malloy:

It was a pleasure speaking with you this past December about ways to advance transit priorities for the people of Connecticut, including the proposed New Britain-Hartford Busway project. This letter is meant to provide you with important information on how the Federal Transit Administration's (FTA) New Starts Program process works and to explain possible outcomes that may result from changing or canceling the current proposed busway project.

The success of FTA's New Starts program in deploying a new transit investment is dependent entirely on the continuing successful partnership between the FTA and each project sponsor. The Busway project is considered ready-to-go and is currently recommended for New Starts funding in President Obama's proposed FY 2011 and FY 2012 budgets. The Federal Transit Administration (FTA) is prepared to advance the project to an FTA funding contract – a Full Funding Grant Agreement (FFGA) – if the Connecticut Department of Transportation (DOT) continues as the project sponsor and completes the federal New Starts Program requirements. FTA has proposed to fund approximately 60 percent of this \$572 million project. It is anticipated that the state will use Federal Highway Administration funds for approximately 20 percent of the project, leaving the state with a 20 percent share (approximately \$113 million).

A decision to withdraw this project from consideration and seek FTA funding for an alternative rail project in the region would require Connecticut to reenter the competitive New Starts process at the beginning. In effect, the state would be starting from scratch, which would require new planning, design and engineering work to be completed on the alternative project. The considerable time and resources already expended on the required National Environmental Policy Act (NEPA) review process for the busway project would be lost and the NEPA process would be required to start from the beginning for any new proposed transit project seeking federal funding assistance. Further, a new financial plan for the alternative project would need to be developed and would be required to pass all criteria outlined in the FTA's discretionary New Starts grants process (including cost effectiveness criteria) in order to be eligible for FTA funding some year in the future.

The Honorable Dannel Malloy

A considerable amount of proposed funding to move the project forward would be reallocated to other major New Starts transit projects throughout the country. This includes a total of \$185.3 million that the FTA would expect to request for the project in future-year budgets under FTA's New Starts program over and above the \$90 million that has already been proposed by the Administration in the fiscal years 2011 and 2012 budgets.

In his budget request for FY 2012, President Obama is seeking considerably increased resources for the FTA New Starts program in order to deploy the transit and job creation benefits of these investments more quickly. In addition to the New Britain-Hartford Busway project, the President's budget includes funding for busway projects in El Paso, San Francisco, Seattle, Jacksonville, Oakland, Fresno and Grand Rapids – projects that will greatly improve mobility and reduce congestion at a very affordable cost while creating thousands of jobs right now, precisely when we need them. Moreover, the FTA has found that the current economic climate has brought about the most advantageous bidding environment in years, allowing taxpayers to get more transit for less money.

I hope this information will be of use to you as you make decisions regarding the future of the project. The FTA stands ready to work with your office and the state DOT to advance sound transportation projects that reflect local and regional priorities. And, if I can be of further assistance, do not hesitate to contact me at (202) 366-4040.

Sincerely yours,



Peter Rogoff