

## CAPITAL PROGRAM (49 U.S.C. § 5309)

The Section 5309 program provides funding for the establishment of new rail or busway projects (new starts), the improvement and maintenance of existing rail and other fixed guideway systems that are more than seven years old, and the upgrading of bus systems. Capital assistance grants made to states and local agencies are funded up to 80% of the net project costs, unless the grant recipient requests a lower Federal grant percentage. In FY 2007, the Section 5309 obligations totaled about \$3.9 billion. Funds were obligated to 339 grantees. The total number of bus and related vehicle purchases budgeted in FY 2007 was 1342.

### BUS AND BUS RELATED

This category includes acquisition of bus and rolling stock and ancillary equipment, and the construction of bus facilities (i.e., maintenance facilities, garages, storage areas, bus terminals and the like). At least 5.5% of the Section 5309 bus funds must be used in non-urbanized areas. In FY 2007, 24% was obligated for projects in non-urbanized areas. In FY 2007, the Section 5309 obligations for bus were \$536 million. The funding appropriated for the bus capital program is fully allocated to projects designated by Congress.

### FIXED GUIDEWAY MODERNIZATION

The formula for allocating the fixed guideway modernization consists of seven tiers. The allocation of funding under the first four tiers is allocated based on data used to apportion the funding in fiscal year 1997. Funding in the last new tiers is apportioned based on the latest available route miles and revenue vehicle miles on segments at least seven years old as reported to the National Transit Database, rather than on route miles and revenue vehicle miles on entire systems which are seven years old as was the case before TEA-21 and SAFETEA-LU. Typically funded are infrastructure improvements such as track and right of way rehabilitation, station modernization, rolling stock renewal, safety-related improvements, signal and power modernization. In FY 2007, the Section 5309 obligations for fixed guideway modernization were \$1,567.5 million.

### NEW STARTS

New starts funding provides for design and construction of new fixed guideway systems. FTA writes recommendations to Congress for new starts funding in the annual New Starts Report. The funding recommendations contained in the annual New Starts Report are the result of an extensive project development and evaluation process. FTA is required to evaluate each proposed new starts project according to a series of criteria for project justification and local financial commitment. As projects proceed through the stages of the planning and project development process, they are evaluated against the full range of statutory criteria. The evaluation will result in a rating of “highly recommended”, “recommended”, or “not recommended” for each project.

There are currently over 33 projects that are either in preliminary engineering, final design or

have a full funding grant agreement (FFGA). In FY 2007, 7 were approved by FTA to enter preliminary engineering (PE) and 5 to enter into final design. Once a project for which the estimated total New Starts share will be over \$25 million has completed the required planning and project development process, and has been approved into final design, FTA may recommend the project for an FFGA, if the project has received a rating of “recommended” or higher. The FFGA is a contract between FTA and the grantee that details the scope of the project and provides a schedule of New Starts funding for future years.

In FY 2007, funding for new starts projects was fully allocated by Congress. The obligations for Section 5309 New Starts projects were \$1,852.2 million. In FY 2007 there were 18 active FFGAs and 3 new FFGAs.