

Executive Summary

This report provides the U.S. Department of Transportation's recommendations to Congress for the allocation of funds for the design and construction of fixed guideway New Starts and "Small Starts" capital investments for fiscal year (FY) 2007. These programs are part of the Capital Investment Grant Program provisions of 49 USC 5309, most recently reauthorized by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) in August 2005. As required by SAFETEA-LU, this report also contains a summary of the allocation of funds made available to assist qualified projects under the Alternative Transportation in the Parks and Public Lands Program under 49 USC 5320.

The Federal Transit Administration's (FTA) discretionary New Starts program is the Federal government's primary financial resource for supporting locally-planned, implemented, and operated major transit capital investments. From heavy to light rail, from commuter rail to bus rapid transit systems, the New Starts program has helped to make possible hundreds of new or extended transit fixed guideway systems across the country. These rail and bus investments, in turn, have improved the mobility of millions of Americans, have helped to reduce congestion and improve air quality in the areas they serve, and have fostered the development of more viable, safe, and livable communities.

The President's Budget for FY 2007 proposes \$1,466 million for the capital investment grant program under Section 5309. A total of \$1,229.48 million is recommended for 16 existing, two pending, and five proposed Full Funding Grant Agreements (FFGA). A total of \$101.86 million is proposed for four projects that are anticipated to be in final design by the Spring of 2006, pending resolution of outstanding issues, and for additional rail cars to be added to the completed Largo Metrorail Extension (metropolitan Washington D.C.) FFGA. A total of \$100 million is recommended for the new Small Starts program. Finally, a total of \$34.66 million is recommended for specific ferry projects, statutory funding to support the work of the Denali Commission, and New Starts oversight activities.

The pending and proposed FFGAs include projects that will likely be eligible and ready for an FFGA prior to or during FY 2007, and are presented below:

Pending FFGAs

- Long Island Rail Road East Side Access, New York, New York
- North Shore Light Rail Transit Connector, Pittsburgh, Pennsylvania

Proposed FFGAs

- West Corridor LRT, Denver, Colorado
- South Corridor I-205/Portland Mall LRT, Portland, Oregon
- Wilsonville to Beaverton Commuter Rail, Washington County, Oregon
- Northwest/Southeast LRT MOS, Dallas, Texas

- Weber County to Salt Lake City Commuter Rail, Salt Lake City, Utah

FTA proposes FY 2007 funding for five other projects. Four of these projects are not advanced to the point of being considered for an FFGA at this time, but demonstrate that they are making progress towards consideration for an FFGA in the near future. Each of these four projects is rated *Medium* or higher; possesses a *Medium* or better cost effectiveness rating or is exempted from the requirement for a *Medium* cost effectiveness rating; and is expected to be in final design by the Spring of 2006, pending resolution of outstanding issues. These projects are as follows:

- Second Avenue Subway MOS, New York, NY
- Dulles Corridor Metrorail Project - Extension to Wiehle Avenue, Northern Virginia
- Norfolk LRT, Norfolk, VA
- University Link LRT Extension, Seattle, WA

The fifth project is the Largo Metrorail Extension, which completed an FFGA in FY 2005 and began revenue service in December 2004. Section 3043(a)(31) and 3043(j) of SAFETEA-LU authorizes the inclusion of an additional 52 rapid rail cars in the Largo Metrorail Extension FFGA. By this mandate, FTA has included the Largo Metrorail Extension in this funding category, even though the original FFGA has been completed and revenue service for this project has begun.

These project recommendations, as well as the funding reserved for Small Starts, ferry projects, the Denali Commission, and project management oversight, form the basis of the President's annual budget submission for the New Starts program. All funding for the New Starts program is subject to the annual Federal appropriations process.

SAFETEA-LU Section 3021(a), which added Section 5320 to title 49 of the United States Code, established a new program to fund alternative transportation projects in national parks and public lands. Section 5320 stipulates that the Secretary of Transportation annually submit a report on the allocation of amounts made available to assist qualified projects under this section, and that this information is to be included in the Annual Report on New Starts submitted under Section 5309(k)(1). In December 2005, Congress appropriated \$22 million for the Alternative Transportation in the Parks and Public Lands program for FY 2006, consistent with funding levels authorized in SAFETEA-LU. At the time of this publication, the allocation of these funds was not yet determined by the Department of Transportation and the Department of the Interior. It is anticipated that the *FY 2008 Annual Report on New Starts* will include a report on the funds allocated under Section 5320 once projects have been selected.