THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

February 01, 2007

The Honorable Nick J. Rahall II
Chairman, Committee on Natural Resources
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I am pleased to present the U.S. Department of Transportation's *Annual Report on Funding Recommendations*, which makes recommendations on the allocation of Fiscal Year 2008 funds for new fixed guideway systems and extensions under the New Starts and Small Starts programs. This report is submitted in response to the requirements of 49 U.S.C. 5309(k)(1).

Also included in this report are the allocations made available to assist qualified projects in the Alternative Transportation in Parks and Public Lands program during Fiscal Year 2006. This report is submitted and included in the *Annual Report on Funding Recommendations* in response to the requirements of 49 U.S.C. 5320(m).

An identical letter has been sent to the Ranking Member of the House Committee on Natural Resources; and the Chairmen and Ranking Members of the House Committee on Transportation and Infrastructure; the Senate Committee on Energy and Natural Resources; the Senate Committee on Banking, Housing, and Urban Affairs; and the House and Senate Committees on Appropriations.

Sincerely yours,

Mary E. Peters

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Enclosure