



U.S. Department
of Transportation

Federal Transit
Administration

The Administrator

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

FEB 08 2012

Dear Colleague:

The Federal Transit Administration (FTA) recently conducted a top-to-bottom review of its oversight practices with the goal of making them more useful, risk-based, and forward looking. This included a review of FTA's statutory/regulatory requirements and an assessment of our current oversight products and practices to determine if they are truly relevant and effective in meeting those requirements.

As a result of this analysis, FTA will be implementing some improvements to its oversight procedures both this year and next year. For example, the State Management Review (SMR) for FY 2012 will incorporate some additional questions in high risk areas, such as procurement, program management, and financial management while other areas will be streamlined. At the conclusion of the FY 2012 review cycle for the SMR program, we will seek feedback from the State departments of transportation (DOTs) and their sub-recipients about the changes and will make additional improvements in FY 2013 based on what we learn.

While the Triennial Review (TR) will remain essentially unchanged for FY 2012, we will be taking the opportunity over the next several months to consider some significant changes to how we approach and conduct the triennial review, beginning in FY 2013. Stakeholder outreach will be an important part of the TR restructuring process and there will be opportunities in the near future for grantees to offer their input. We are determined to make this process more effective in identifying problems and more helpful in assisting grantees in rectifying those problems.

Finally, in light of President Obama's continuing emphasis on making government more accountable and transparent, FTA is also going to be more forthcoming with its oversight findings and reports. Specifically, FTA will immediately begin to:

1. Publish statistics annually to the FTA website summarizing the categories of findings made in each of the major oversight areas; and
2. Mail copies of all final reports arising from Triennial Reviews, Procurement System Reviews, Civil Rights Reviews, Financial Management and Financial Capability reviews, to the head of the Grantee's governing board in addition to the grantee's CEO (or equivalent).

I believe the steps we are taking will better position FTA to deliver oversight in a more strategic, proactive, and helpful manner. We will continue to notify you of our ongoing oversight improvements and opportunities for you to provide your input.

Sincerely yours,

Peter Rogoff